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No 9331.91^a16

Pt. 21-23



NATIONAL DEFENSE MIGRATION

HEARINGS

BEFORE THE

SELECT COMMITTEE INVESTIGATING

NATIONAL DEFENSE MIGRATION

HOUSE OF REPRESENTATIVES

SEVENTY-SEVENTH CONGRESS

FIRST SESSION

PURSUANT TO

H. Res. 113

A RESOLUTION TO INQUIRE FURTHER INTO THE INTERSTATE
MIGRATION OF CITIZENS, EMPHASIZING THE PRESENT
AND POTENTIAL CONSEQUENCES OF THE MIGRA-
TION CAUSED BY THE NATIONAL
DEFENSE PROGRAM

PART 22

OMAHA HEARINGS

NOVEMBER 25, 1941

Printed for the use of the Select Committee Investigating
National Defense Migration



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National Defense Migration



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1942

SELECT COMMITTEE INVESTIGATING NATIONAL DEFENSE
MIGRATION

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NATIONAL DEFENSE MIGRATION

TUESDAY, NOVEMBER 25, 1941

MORNING SESSION

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE INVESTIGATING
NATIONAL DEFENSE MIGRATION,
Washington, D. C.

The committee met at 9:30 a. m., in the Post Office Building, Omaha, Nebr., Hon. John J. Sparkman (acting chairman) presiding, in the absence of Hon. John H. Tolan, chairman of the committee.

Present: Representatives Laurence F. Arnold, of Illinois; Carl T. Curtis, of Nebraska; Frank C. Osmer, Jr., of New Jersey; and John J. Sparkman, of Alabama.

Also present: Dr. Robert K. Lamb, staff director; Harold G. Tipton, and Evelyn Weinberg, field investigators; Irene M. Hageman, field secretary.

The CHAIRMAN. The committee will please come to order. In the absence of Mr. Tolan, our chairman, who has been detained in Washington on legislative business, I have been asked to preside at the hearings here in Omaha.

On my left is Congressman Carl T. Curtis, of Nebraska; and on my right, Congressman Laurence F. Arnold, of Illinois. At the end of the table is Dr. Robert K. Lamb, our staff director. Congressman Frank C. Osmer, Jr., of New Jersey, is expected to arrive shortly.

Mayor Butler is our first witness.

TESTIMONY OF HON. DAN B. BUTLER, MAYOR OF OMAHA, NEBR.

The CHAIRMAN. Mayor, we are happy to have you with us this morning. Your staff has submitted a group of prepared statements, which will be inserted in the record at this point, together with certain other material dealing with related subjects.

(The material referred to above is as follows:)

STATEMENTS INTRODUCED BY HON. DAN B. BUTLER, MAYOR OF OMAHA, NEBR.

GENERAL STATISTICAL OUTLINE, CITY OF OMAHA, NEBR.

REPORT BY HARRY TRUSTIN, SUPERINTENDENT, DEPARTMENT OF PUBLIC IMPROVEMENTS,
OMAHA, NEBR.

1. Area, including annexed area to May 6, 1941.....square miles	41,289
2. Population as of 1940.....	223,844
Gain over 1930 census.....percent	4.6
Families, 1940 census.....	54,600
Dwellings, 1940 census.....	47,567
3. Government.	

Commission plan adopted April 1912:

Provides for election at large of seven councilmen for a term of 3 years. At the first meeting, the councilmen elect, by a majority vote, one of their number as president of the council, known as the mayor of the city.

The executive and administrative powers, authorities, and duties are distributed among the departments as follows:

1. Department of public affairs.
2. Department of accounts and finances.
3. Department of police, sanitation, and public safety.
4. Department of fire protection and water supply.
5. Department of street cleaning and maintenance.
6. Department of public improvements.
7. Department of parks and public property.

City budget revenue, 1938 to 1941, inclusive

	1938, actual	1939, actual	1940, actual	1941, actual
Tax (percent).....	89.96	91.17	92.83	92.00
From tax levy, principal.....	\$1,626,270.86	\$1,635,493.77	\$1,667,765.10	\$1,633,510
From tax levy, interest.....	3,828.26	3,875.02	3,256.09	3,000
From tax, miscellaneous.....	741,361.92	780,663.31	801,065.01	806,640
Grand total—taxes, miscellaneous....	2,373,461.04	2,420,032.10	2,472,106.20	2,443,150

General bonded debt as of Dec. 31, 1941, \$7,015,100.

DEPARTMENT OF PUBLIC IMPROVEMENT

Amount allotted to this department in 1941----- \$85,200
Credits to department permits (1940)----- 3,098

From this department are paid all salaries in the department including—

- (a) Office force.
- (b) Field engineering and engineering field parties.
- (c) Sewer maintenance department:

1. Personnel salaries.
2. Equipment including 27 trucks.
3. Repair plant.
4. Machine shop.
5. Construction plant for miscellaneous sewer specials.

(d) All costs of office supplies, maintenance of all equipment.

The commissioner must stay within his budget for the year.

SANITATION FACILITIES

The sewer system in the city of Omaha is a combination of a separate sewer system and a combined system. It consists of approximately 625 miles of main sewers with drainage into the Missouri River on the east and into Papillion Creek and its tributaries on the west. The flow is entirely by gravity.

The city, extending along the Missouri River for a distance of 10 miles and westward for approximately 4 to 5 miles, is divided by an irregular ridge extending in a southeasterly to a northwesterly direction from Thirty-eighth Street at the south city limits to Fifty-second Street near the north city limits. This ridge crosses the center of the city at Fortieth and Farnam Streets and follows Military Avenue to Fifty-second and Maple Streets and is commonly known as the Fortieth Street Ridge.

The sewer system serving that portion of the city east of the Fortieth Street Ridge drains by gravity through approximately 20 outlets into the Missouri River without any treatment and serves approximately 75 percent of the population and practically all of the industries.

In this area about 75 percent of the original Waring main sanitary sewer system, constructed in 1878-82, is still in operation and is the sanitary outlet for a large portion of the downtown area. This system is becoming inadequate and will be a problem for the near future.

Portions of the existing storm and combined sewers constructed in the early eighties of brick are in need of repair and replacement.

The entire system is in good shape. New sewers have been constructed since 1910 and a large sewer program has already been completed under Work Projects Administration since 1935.

In building storm sewers, 1910-31, the city of Omaha issued sewer bonds in amounts varying from \$50,000 to \$500,000 per year, which were a general obligation of the entire city, and only storm sewers were constructed from these funds.

Sanitary sewers are constructed in the sewer districts and the entire cost of same is levied against abutting property owners and becomes a lien against the property if not paid.

Private sanitary sewers are permitted to be constructed by resolution of the city council granting such permit with provision that construction be done according to city specifications and inspection to be made by the city and charged to or paid directly by the builder.

The sewer system drainage into the Missouri River is adequate to provide for an additional 100,000 population. This would involve the extension of main lines and laterals into present potential population areas within the city limits.

AREA WEST OF THE FORTIETH STREET RIDGE

The present population of the city west of the divide is approximately 35,000 with 95 percent connected to the sewer system and approximately 10,000 in Douglas County, adjacent to the city, which are potential users and can connect.

To take care of this vast area, that is developing rapidly and is in line for immediate future development, the city has just completed a sewage treatment plant designed ultimately for 100,000 population. With an intercepting sewer constructed the entire length of the city into the disposal plant, laterals can be constructed to take care of any possible expansion.

The intercepting sewer, approximately 11 miles long, was constructed at a cost of approximately \$1,000,000 with Work Projects Administration participation, and the disposal plant added another \$1,000,000 outlay, also with Work Projects Administration participation.

In order to construct the intercepting sewer and the sewage treatment plant, the State legislature authorized the city to make a 1½-mill levy, a general obligation against the city of Omaha. This amounted to approximately \$325,000, and this money was used as sponsor's contribution to construct: First, the intercepting sewer and then the treatment plant. As the contract for the plant calls for an expenditure of \$620,000, without the Work Projects Administration labor, which is furnished free to the contractor, it became necessary to raise additional funds.

A 1-mill levy was authorized by the State legislature for each year to pay for the plant and its operation and then ½ mill levy for building and operation until repealed.

It is anticipated that adjacent communities like Ralston will take advantage of the disposal plant and apply for connecting their sewer systems to the intercepting sewer.

As raw sewage is emptied into the Missouri River without treatment, the city may be faced with the construction of a treatment plant to serve the eastern part of the city. It is contemplated then to construct an intercepting sewer along the Missouri River from some point near the south city limits to Florence, the north city limits, separate the sanitary or normal flow from the storm water in the combined sewers and rebuild the downtown sanitary sewer system as may be necessary.

A 5-year program for sewers is being worked up, which contemplates the expenditure of approximately fifteen to twenty million dollars, with Work Projects Administration participation. Ways and means to provide the city's share of sponsorship for this project are problematical.

The sponsors' contribution for sewer construction work in the city has been obtained from the 1-mill levy for relief which also supplied the funds for all street paving, boulevards, building construction, and other work done with Work Projects Administration participation and sponsored by the various departments.

One-mill levy per year amounts to approximately \$230,000. In years 1937 to 1938 the levy for relief was ½ mill; in years 1939 to 1941, the levy for relief was 1 mill; in the year 1942, the levy for relief was 0.8 mill.

About 20 percent of the annual relief levy is allotted to the department of public improvements for sponsorship of sewer projects.

PUBLIC HOUSING IN OMAHA

REPORT BY JOHN J. LARKIN, CHAIRMAN, HOUSING AUTHORITY, CITY OF OMAHA, NEBR.

The Housing Authority of the City of Omaha is a body corporate and politic organized in pursuance to chapter 14, Article 14 of the 1939 Supplement to the Compiled Statutes of Nebraska. The commissioners of the authority are five in number and are appointed by the Mayor of the City of Omaha. The officers of the Omaha Housing Authority are John J. Larkin, chairman; Grant Benson, vice chairman; Mace Brown, treasurer, and Sam Beber, secretary. The manager is Edward M. Ouren. The territory over which the authority has jurisdiction includes the city of Omaha and the area within 5 miles of the territorial boundaries of Omaha.

It has control of three projects, one of which, known as Logan Fontenelle Homes, contains 284 units and is under lease from the United States Housing Authority. The other two projects, known as South Side Terrace Homes and Logan Fontenelle Homes Addition, were constructed by this authority and contain 794 units. The number of units which have been demolished both on the site of these projects and elsewhere in the city under the cooperation agreement between our authority and the city of Omaha total 724.

No additional construction is planned for the future but it has gone on record as being ready, willing and able to undertake such additional construction as the office of the Defense Housing Coordinator may find necessary to properly house defense workers in this area. The Federal Government has contacted this authority with respect to the need for further housing, but it has taken no formal action in this connection other than to participate unofficially in conferences in which this subject has been discussed.

Prerequisites for admission to the housing projects operated by the Housing Authority of the City of Omaha are that the earnings of the family applying for admission do not exceed from as low as \$725 as a maximum where the family consists of two persons, to a maximum of \$1,330 where the family consists of six or more persons. It is also necessary that the applicant be a citizen of the United States and that those who are to live in the project consist of a cohesive family group. In other words, two or more persons who are not members of the same family or who have not been living together are not permitted to come into the project as tenants. Another prerequisite is that only those tenants are eligible who have been living in a substandard house or a house which has been occupied by more than one family and is not adequate for that purpose.

It has been the experience of the Housing Authority that when tenants are evicted from the projects they find it difficult to locate dwelling quarters within their price reach. There is a waiting list of between 300 to 400 applicants who have been approved for admission into the projects.

In the personal opinion of the writer of this report, a shortage of housing units that will sell for not more than \$3,500 and will not rent for more than \$35 a month exists in Omaha at the present time. There is no accurate information available as to the number of employees who are expected to find employment in the Omaha area within the near future, but the writer of this report would place the figure at at least 5,000 although it should be understood that this is merely a guess on the part of the writer. A recent survey made by the Omaha Real Estate Board disclosed approximately 2,700 living units aside from rooms in private homes and hotel rooms. These vacancies included every type of dwelling unit in every section of the city without reference to whether such unit was habitable. In order to determine how many of these vacancies are available for the average worker at the bomber plant, one should deduct from this number all uninhabitable units, all units renting for more than \$35 per month (that being the figure which you apparently consider as the maximum which the average worker can pay) and all units north of Leavenworth Street, or perhaps a few blocks to the south of Leavenworth. These eliminations would leave very few living units which one could say would be available to the average worker at the bomber plant.

DEFENSE HOUSING

REPORT BY DIVISION OF DEFENSE HOUSING COORDINATION, EXECUTIVE OFFICE OF THE PRESIDENT, WASHINGTON, D. C.

The primary defense activity in the Omaha locality is at Fort Crook, about 8 miles south of the city. Included in the Omaha metropolitan district are

Council Bluffs, Ralston, Carter Lake, and unincorporated areas in Douglas, Sarpy, and Pottawattamie Counties. Workers from Council Bluffs are within easy commuting distance of Fort Crook over a bridge crossing the Missouri River. The Coordinator of Defense Housing has obtained as much information as is available regarding the following factors:

1. Amount and type of prospective additions to the labor force.
2. The supply of suitable labor already resident in the area.
3. In the case of Army establishments the War Department has provided information on the number of enlisted personnel who will be brought into the area and who will require dwellings for their families.
4. The supply of vacant dwellings.
5. The ability of private enterprise to provide dwellings.

A study of the defense-housing situation by the Coordinator has indicated no immediate need for public defense housing during 1941. The extent of the program which will be undertaken in 1942 depends on the rapidity with which the Glenn L. Martin Co. builds up its staff. It should become evident by January or February 1942 just what the needs of Omaha are to be. In the meantime, the financing provisions of title VI of the National Housing Act are available in Omaha and will assist private builders in their effort to meet a large part of the defense housing need. Provision has been made for the granting of priorities for the private construction of dwellings for defense workers.

The principal defense activity in the Omaha locality is a bomber-assembly plant for the Glenn L. Martin Co., now in process of construction at Fort Crook. The Government is financing the total cost of this \$8,000,000 plant, and the Army has already given contracts to it amounting to \$166,000,000. The only other major defense contractor in Omaha is the Omaha Steel Works, which has headquarters of the Seventh Corps Area, United States Army, and has Fort Crook and Fort Omaha within the locality.

The employment situation in Omaha is dominated by the needs of the Glenn L. Martin Co., which will hire about 8,000 workers between January 1942 and January 1943. The needs of other employers in the locality are estimated at about 1,200 for the period July 1941 to July 1942. The labor supply available within the commuting range of Omaha has been estimated by the Bureau of Employment Security at 21,000 workers in July 1941. However, not more than 500 of these were available for administrative, professional, and skilled occupations. Thus, all demands can be met locally except for a maximum of 1,500 higher-paid administrative and skilled workers, who will have to be imported. There is some unverified discussion that the Martin plant may hire 17,000 workers instead of 8,000. In such a situation it would be necessary to increase the estimate of in-migration.

In the Omaha housing market area, which has been defined by the Federal Housing Administration to include the entire metropolitan district and Bellevue and La Platte precincts in Sarpy County and Plattsmouth precinct and city in Cass County, there were 89,200 dwelling units. Of these, 67,000 were within the corporate limits of Omaha and 12,000 in Council Bluffs. Of the current inventory of 89,200 dwelling units, approximately 3,350 were vacant during August and September 1941, according to figures compiled by the Work Projects Administration and the Federal Housing Administration. This compares with 4,300 vacant dwelling units reported by the April 1940 housing census. In addition to the vacant dwelling units, there were about 5,000 rooms available in occupied dwellings for unattached persons.

A local homes registration office has been established in Omaha. It reports that on October 20, 1941, 638 dwelling units and 810 rooms were listed for rent. On the same date it had 14 applicants for dwellings and no applicants for rooms.

Omaha has three public housing projects with a total of 1,077 dwelling units—all occupied. During the first 10 months of 1941 the Bureau of Labor Statistics reports that permits were granted for the construction of 781 private dwelling units within the corporate limits of Omaha, compared with 548 during the first 10 months of 1940. During the comparable period of 1941, 78 dwelling units were permitted in Council Bluffs, compared to 26 in 1940. A large part of the building in the Omaha area has been concentrated in the \$3,000 to \$4,000 price class. Since the development of the defense housing priority system, certificates of priority have been obtained for the construction of about 250 dwelling units in the Omaha locality for the half year ending with February 1942. It is estimated that private enterprise can provide 1,200 dwelling units per year in this locality.

In the Omaha area, as elsewhere throughout the country, the defense housing program is necessarily flexible and subject to change in accordance with changes in the nature and direction of the defense program. Further expansion of defense activities beyond that now anticipated or more rapid exhaustion of the local labor supply than now appears likely would necessitate a revision of our estimates for the Omaha locality. Continuing reinvestigation of all defense areas, and especially of Omaha, is, therefore, regularly carried on so that changes in local housing requirements may be met by corresponding changes in the programs for defense housing.

VACANT HOUSING IN THE DEFENSE AREA OF OMAHA AND VICINITY, AS OF
OCTOBER 10, 1941

REPORT BY OMAHA REAL ESTATE BOARD AND BUILDING OWNERS' AND MANAGERS'
ASSOCIATION OF OMAHA, NEBR.

	Detached houses		Houses under construction	Duplexes		Flats above street		Apartments	Rooms	Hotel rooms
	Good	Poor		Good	Poor	Good	Poor			
District, Omaha City proper:										
North of Road St.	10	2	47			1		1	6	8
Read-Ames, E. 30	61	6	14	1				7	6	0
Read-Ames, W. 30	21	4	25					2	5	0
Ames-Lake, E. 30	58	8	2			6		57	81	0
Ames-Lake, 30-52	47	6	15	1		1		4	21	0
Ames-Lake, 52 W	30	4	22	1				10	10	1
Lake-Cuming, 16-30	23	9		5				48	103	0
Lake-Dodge, E. 30	30	7		6		1		208	288	141
Lake-Dodge, 30-52	95	6	9	25	1	3		125	213	0
Lake-Dodge, 52-72	19		46					2		
Lake-Dodge, W. 72	6		1							
Dodge-Center, E. 30	49	10	1	17	9	15	3	313	446	420
Dodge-Center, 30-52	87	3	43	28	1	1		136	191	4
Dodge-Center, 52-72	21		32	2						
Dodge-Center, W. 72	1		18							
Center-"L," E. 30	42	7	15	5	1	3	1	31	85	1
Center-"L," 30-60	32	6	16	1		1		5	2	
Center-"L," 60 W	2									
"L"-South limits, E. 30	25	7	11	1		3		5	25	7
"L"-South limits, 30-60	13	6	198			1		3	82	100
"L"-South limits, 60 W			1							
Total	672	91	516	93	12	36	4	957	1,564	682
Reported by Hotel Men's Association of Omaha										
Council Bluffs	184			5		9		67		248
Ralston	29		25			1				930
Fort Crook			23							
Bellevue	8		45							
Papillion	3			1						
Plattsmouth	10		25					47	188	
Grand total	906	91	634	99	12	46	4	1,071	1,752	930

¹ Approximately 180 additional houses in Upland Homes are not yet started, and are not included in this survey.

SUMMARY

Family units----- 2,863
Private rooms----- 1,752
Hotel rooms----- 930

This survey was made at the request of the Defense Housing Committee by the Omaha Real Estate Board and Building Owners' and Managers' Association, of Omaha, with the assistance of employees of public service companies and other businesses of Omaha and with the assistance of citizens of neighboring cities included in the survey.

PERSONNEL PROBLEMS BROUGHT ON BY THE DEFENSE PROGRAM

REPORT BY HOBART M. CORNING, SUPERINTENDENT OF SCHOOLS, OMAHA, NEBR.

Throughout the Nation there has developed a remarkable shortage of well-trained teachers. Immediately prior to the inception of the national-defense program there was a noticeable oversupply of teachers in many fields and no acute shortage even in fields requiring a high degree of specialization. Teachers and teachers-in-training are, however, now leaving the teaching profession for more remunerative vocations.

The Omaha school system ranks at the very bottom for cities of Omaha's size class in the United States in the matter of salaries paid to its employees. In fact, in this respect it ranks far below a great many small communities and rural districts. Along with the salary factor, and as an added aggravation to personnel problems of the district, there is the matter of increased living costs due to the effects of the defense program.

Whereas, therefore, some school districts are able to retain or attract much-needed personnel by offering a reasonably high wage, the Omaha schools must continue to lose valuable teachers and other employees to industry and to more adequately financed school districts.

The inauguration of a program for the training of defense industry employees in the Omaha area has further aggravated the personnel problem of the local school district. Frequently the demands of this training program make it necessary to pay special teachers, sometimes individuals with little or no professional training, salaries which are considerably higher than those paid other highly valuable and professionally trained employees on the staff. Obviously this situation affects in a very extensive way the personnel and employee-morale problems of the district.

Finally, the ever-growing pupil population coming in with the growing defense industries in and around Omaha will place a heavy additional load on the already depleted budget of the district. The many new enrollees, most of whom it is certain will find their way into already overcrowded buildings, will demand an expansion of the teaching corps of the district. This demand cannot be met without some new source of additional revenue unless the already underpaid employees of the district assume a further heavy cut in salaries.

DEFENSE TRAINING PROGRAM

The Omaha public schools are carrying on a program of training workers for defense industries. Its first objective is a general one of providing workers to the capacity of our training facilities for any industry engaged in defense production. A secondary and more specific objective is to provide workers for the aircraft assembly plant to be operated by the Glenn L. Martin Co. adjacent to Omaha. This last objective derives importance from the fact that this will be the largest defense industry in the immediate area from the standpoint of workers necessary, and also from the fact that there are no workers with the experience and training required in this immediate area.

In attempting to fulfill the major objective of providing workers for all defense industries in this area, Omaha public schools have set up training programs in machine-tool operation, pattern making, foundry work and arc and acetylene welding. These classes are carried on 24 hours per day, with approximately 160 enrollees at any one time. The instruction is given 7 hours per day 5 days per week and the length of the course is 12 weeks. Very satisfactory placement has resulted from these courses, although a number of trainees have accepted employment in locations other than Omaha.

Close contact has been maintained with the Glenn L. Martin Co. in order to build a program of training for their specific needs. They will use a number of workers who are being trained in courses outlined in the preceding paragraph. In addition specific training programs in aircraft riveting, aircraft bench metal work, aircraft welding, production-control workers, and assembly men have been or are being set up. Seven classes totaling 150 men are being operated at present. Additional classes will be started at such times as necessary to meet the employment schedule of the plant. These courses are being conducted at both Technical and South High Schools on a 24-hour-per-day basis.

EFFECT OF DEFENSE PROGRAM ON CURRICULUM

It remains to be seen just how far-reaching will be the effects of recent changes in employment conditions upon the curriculum of the school. It is now evident that curriculum plans are being weighed more carefully by parents and teachers to determine the out-of-school value of the various subjects offered. This has resulted, especially in the high schools, in a demand for the expansion of facilities for such subjects as home economics, bookkeeping, typing, shorthand, auto mechanics, printing, and many other vocational or semivocational subjects. This trend does mean an additional financial burden to the district, because these subjects naturally cost more per pupil for instruction, equipment, and supplies.

Defense conditions have a tendency to make some students and some parents want to go "all out" for specific skill training. There is, however, no indication even on the part of the instructors who are directly involved in skills-training programs that the schools will swing into a greatly unbalanced vocational-education program.

NEED FOR ADDITIONAL SCHOOL FACILITIES

It is conservatively estimated that new defense industries in and around Omaha will bring an additional 6,500 school-age children to Omaha. It is thought that rural districts, private, and parochial schools will take care of 1,800 of these new pupils. The school district of Omaha must provide educational facilities for approximately 700 new high-school enrollees and some 4,000 elementary school children.

Location of the new industries, location of the huge new home and housing projects, and the general topographical relationship of the various areas of the city together determine with more or less certainty the areas of the city where the school district must anticipate increased school enrollments. The South Omaha area will thus receive a very large share of this new pupil personnel.

It is possible that many grade-school enrollments will be absorbed in South Omaha by school buildings now operating under capacity. There will, however, be great overcrowding in other buildings in this area if additional new rooms are not provided.

Also, in this area the already badly overcrowded high-school plant will be called upon to absorb some 650 new enrollees.

Federal aid asked

Federal assistance has been asked in the task of providing the necessary facilities to take care of this expanded pupil population. The specific requests for such aid were as follows:

1. A building addition to South High School providing for 23 shop stations and 26 classroom stations to cost approximately \$1,095,000.
2. Essential equipment for addition to South High School at a cost of approximately \$73,950.
3. A building and equipment addition to Corrigan Elementary School at an approximate cost of \$53,590.
4. A building and equipment addition to Highland Elementary School at an approximate cost of \$99,553.
5. Playground and recreational facilities for the South Omaha area at an approximate cost of \$117,400.

FINANCIAL STATEMENT

[Taken from the official statement of the Board of Education for the fiscal years of 1940-41 and 1941-42]

1. Revenue

<i>(a) Actual revenue (1940-41) :</i>	
Tax collections	\$3, 037, 432. 12
Licenses, fines, permits	176, 848. 75
Interest and sale of bonds	63, 425. 04
Insurance, rentals, sales, etc	13, 323. 25
Tuition	76, 772. 47
State apportionment	110, 453. 69
Federal funds for vocational education	49, 257. 99
National-defense training, etc	28, 475. 51
Miscellaneous	5, 292. 22
Subtotal, 1940-41	3, 561, 281. 04
<i>(b) Estimated revenue (1941-42) :</i>	
Tax collections	3, 118, 826. 00
Total all other sources	465, 090. 00
Subtotal, 1941-42	3, 583, 826. 00
Total (estimated revenue, 1940-42)	7, 145, 107. 04

2. Expenditures

<i>(a) Actual expenditures (1940-41) :</i>	
General control	83, 084. 75
Instruction	2, 038, 401. 57
Coordinate and auxiliary agencies	67, 329. 72
Operation and maintenance	424, 163. 00
Fixed charges	179, 055. 93
Capital outlay	20, 303. 80
Debt service	865, 959. 23
Tax-collection fees	28, 642. 36
Undistributed supplies	298. 11
Subtotal, 1940-41	3, 707, 229. 47
<i>(b) Estimated expenditures (1941-42) :</i>	
General control	81, 100. 00
Instruction	2, 033, 540. 50
Coordinate and auxiliary agencies	69, 169. 00
Operation and maintenance	411, 900. 00
Fixed charges	192, 600. 00
Capital outlay	10, 000. 00
Debt service	915, 684. 00
Tax collection fees	30, 500. 00
Subtotal, 1941-42	3, 744, 493. 50
Total (estimated expenditures, 1940-42)	7, 451, 722. 97

3. Probable deficit for 2 fiscal years 1940-42

Estimated total expenditures	7, 451, 722. 97
Estimated total revenue	7, 145, 107. 04
Total balance in general fund at beginning of 2-year period	260, 798. 00
Estimated deficit	45, 817. 93

4. Comparative statement of receipts and expenditures for the 10-year period beginning with the fiscal year 1931-32

Year	Receipts	Expenditures	Year
1931-32	\$4,171,606.08	\$4,253,803.47	1931-32
1932-33	3,543,087.90	3,617,851.54	1932-33
1933-34	3,682,598.25	3,327,806.90	1933-34
1934-35	3,526,455.10	3,456,233.73	1934-35
1935-36	3,451,727.39	3,762,213.91	1935-36
1936-37	3,379,656.39	3,631,468.54	1936-37
1937-38	3,488,304.37	3,609,481.08	1937-38
1938-39	3,660,909.56	3,626,701.61	1938-39
1939-40	3,729,662.40	3,677,128.54	1939-40
1940-41	3,561,281.01	3,707,229.47	1940-41

NOTE:— During period the general fund deficits have been absorbed by the drawing upon the balance in a self-insurance fund to the extent of \$589,480.78. This fund is now completely exhausted.

5. Total bonded indebtedness

November 6, 1941 \$8,075,000

6. Statement of amounts to be provided of bonds and interest (based on present indebtedness)

Year	Principle	Interest	Total payment	Year
1941-42	\$560,369.97	\$384,757.48	\$945,127.45	1941-42
1942-43	547,831.10	378,976.86	926,807.96	1942-43
1943-44	534,692.24	372,948.74	907,640.98	1943-44
1944-45	520,169.51	365,107.50	885,277.01	1944-45
1945-46	440,684.65	313,605.00	754,289.65	1945-46
1946-47	425,217.97	304,460.00	729,677.97	1946-47
1947-48	412,384.63	297,372.50	709,757.13	1947-48
1948-49	333,333.34	243,750.00	577,083.34	1948-49
1949-50	333,333.34	243,750.00	577,083.34	1949-50
1950-51	333,333.34	243,750.00	577,083.34	1950-51
1951-52	166,666.66	106,250.00	272,916.66	1951-52
1952-53	166,666.66	106,250.00	272,916.66	1952-53
1953-54	166,666.66	106,250.00	272,916.66	1953-54
1954-55	166,666.66	106,250.00	272,916.66	1954-55
1955-56	66,666.66	42,500.00	109,166.66	1955-56
Total	5,174,683.39	3,615,978.08	8,790,661.47	

HEALTH CONDITIONS IN OMAHA

REPORT BY A. S. PINTO, M. D., COMMISSIONER, DEPARTMENT OF HEALTH, OMAHA, NEBR.

According to the city of Omaha budget, the sum of \$73,000 has been allotted and spent for the health department, plus \$5,000 for the Visiting Nurse Association; of this amount to expenditure, 31.6 cents per capita. This budget made no allowances for additional expenditures in the health department, made necessary (1) to establish a more satisfactory health department, (2) because of increased work due to the defense program.

This does not include expenditures made by Douglas County for four county physicians responsible for the treatment of indigent sick, nor the Douglas County Hospital.

Budget completed with the cooperation of the Federal Government, the State department of health, and the city health department for the fiscal year of 1942, for the Omaha-Douglas County health unit. The amount budgeted for 12 months is \$178,197 of which \$22,410 is title VI, and \$13,920 is venereal disease control, and \$41,712 children's bureau. If any demands should be made for the immediate future, they may possibly be paid through the State department of health by unexpended Federal funds, or through the Omaha budget.

SPACE

The health department operates in a single health unit, located on the third floor of the city hall. A city laboratory on the first floor of this building

handles all necessary examinations for the city of Omaha, including food, water, and milk. Blood serologies are sent to the State laboratory in Lincoln, Nebr., The city also operates two venereal disease clinics, one located at the Emergency Hospital toward the center of town, open six evenings and three afternoons a week; another clinic in South Omaha opened five evenings a week. Another clinic to be located in the north side of town is planned, to be opened in the near future.

PERSONNEL

There has been considerable difficulty in obtaining adequately trained public health engineers to join the health department for the expanded health program. A well-trained public health engineer was obtained through the United States Public Health Service assignment to the State of Nebraska; a public health sanitarian, well-trained but inexperienced, was obtained shortly after the completion of his school training.

HOSPITAL SPACE

The following hospital beds are available in Omaha: 1,959; general, 1,702; maternity, 217; contagious, 40.

Hospital space for general and maternal care is quite adequate. The Emergency Hospital for contagious diseases does not have adequate bed space, equipment, or staff. There are, however, no immediate plans in view for establishing another contagious disease hospital.

There has been considerable difficulty in obtaining materials for the city laboratory despite the priority rating of 2 A. An order for a darkfield microscope made 3 months ago has not yet been completed. An appreciable delay in obtaining materials for reconstruction of the north side clinic is anticipated on the basis of other experiences.

VITAL STATISTICS

Total for the months of January 1941, to October 1941, inclusive. Population of Omaha: 223,844.

Deaths, total	1,932
Nonresident deaths	441
Births	3,206
Stillbirths	91
Nonresident births	838
Reported communicable diseases:	
Scarlet fever	113
Smallpox	5
Diphtheria	16

There has been no significant change in the death and birth statistics since the establishment of the defense program.

As to date, we note no significant change in the incidence of communicable disease, consistent with the defense program activity. There is, however, an increasing number of unvaccinated and unimmunized younger, as well as older children, the exact number is yet undetermined, who have moved into the community as a result of increased employment in the defense area. This, of course, is potentially dangerous. An educational program urging immunization and vaccination is carried on.

One hundred and seven draftees have to date been rejected in Omaha because of positive blood tests. An intensive follow-up program has been made to insure adequate diagnosis and treatment for each case. With the exception of two or three, everyone to date is under treatment of a private physician, city clinic, has already been drafted into the Army, or has moved outside of the city. Follow-up letters have been sent to the Army, or the new addresses of those cases.

DEMANDS CAUSED BY INFLUX OF PEOPLE

There has been an influx of people in the community as a result of the defense program, exact number of which has not yet been established. This number is definitely being increased; and housing, as well as a trailer camp problem is anticipated. A city ordinance regulating trailer camps in Omaha is being prepared.

EFFECT OF DEFENSE PROGRAM ON OMAHA AS AN INDUSTRIAL COMMUNITY

REPORT BY FRANK P. LOGARTY, COMMISSIONER, OMAHA CHAMBER OF COMMERCE

Omaha is an important railroad center. It is headquarters of the Union Pacific Railroad Co., which maintains its general offices, shops, and large operating forces in the city. It is western division headquarters of the Burlington & Northwestern Lines, and is served by 10 railroads. Railroads employ 9,800 in Omaha.

Omaha is also an industrial center, particularly along the lines of food processing. The stockyards are among the country's largest, and there are 12 packing plants. It is estimated that the livestock and meat-packing industries employ 7,850 in Omaha.

The industrial complexion of the city is well reflected in the following figures from the 1937 Census of Manufacturers census on the number of wage earners employed in various lines of manufacturing in Omaha.

Industry	Number of plants	Average wage earners	Wages	Value of products
Bakeries	40	1,142	\$1,401,644	\$6,406,440
Beverages, nonalcoholic	8	35	38,324	504,051
Bookbinding and blankbook making	3	8	7,137	31,573
Concrete products	7	77	69,884	537,056
Creameries	9	213	234,494	7,528,655
Drugs and medicines	8	52	53,962	855,945
Flour and grain milling	3	175	223,047	9,774,633
Ice cream	6	57	66,089	773,996
Ice, manufacturing	7	51	41,920	357,420
Machine shop products	9	76	106,752	363,883
Meat packing	12	4,828	6,363,420	109,419,641
Cut stone	4	43	46,481	226,223
Planing mill, wood products	3	81	90,834	305,012
Book, music, job printing	46	424	607,950	2,462,153
Metal work	6	449	544,364	3,432,916
Other	168	4,031	4,366,479	58,844,862
Total manufacturing	339	11,742	14,262,800	201,874,459

From the above table, it can be seen that the principal industries of Omaha are those which process food. Food processors account for 20 percent in number of Omaha industries, 55 percent of manufacturing employment, and 66 percent of the value of the products. Outside of the food industries, about 25 Omaha firms employing about 1,200 persons are engaged in defense work. This constitutes about 7 percent of the number of Omaha manufacturers, and about 8 percent of the present Omaha manufacturers' employment.

DEFENSE DEVELOPMENTS IN OMAHA

The Martin bomber assembly plant is located at Fort Crook, 9 miles from the center of Omaha. Construction of the main buildings is completed, and machinery is now being installed. Production of bombers is scheduled for the spring of 1942. Peak employment will be 8,000. This figure will be reached in comparatively easy stages, but it should be noted that it exceeds the largest present pay roll in Omaha.

The \$30,000,000 Firestone bomb loading plant will be located 35 miles from Omaha. Construction is scheduled to start in the spring of 1942, employing 7,000 to 8,000 men at peak. When the plant gets into operation, it is anticipated that 4,000 will be employed. Lincoln, a city of 82,000, is about the same distance from the plant site.

The Omaha Steel Works has a \$3,000,000 contract for manufacturing shell casings, an operation which now employs 500 men. A \$483,875 plant expansion has been authorized by Defense Plants Corporation. The Jerpe Commission Co. is constructing a \$340,000 plant for egg drying.

The Omaha packing houses are feeling the effects of increased demands for meat. The Cudahy Packing Co. completed a meat-canning plant in the fall of 1940 which is now employing about 600. Armour & Co. will complete a meat-canning factory January 1, 1942, to employ 500.

There are numerous miscellaneous contracts. Scott Manufacturing Co. has received several contracts for tents and other canvas products, and is giving

work to 300. There are several small manufacturers of pants, caps, etc., employing an estimated 535.

Seventh Corps Area Headquarters are located in Omaha. More than 525 officers, enlisted men, and civilians are employed there as compared with 200 a year ago.

The zone constructing quartermaster's office is employing 325 in Omaha. This office was not in existence here a year ago.

EFFECT OF DEFENSE ON EMPLOYMENT AND POPULATION IN THE OMAHA AREA

As a preliminary to any discussion of this problem, it should be pointed out that Nebraska, in common with most of the Great Plains States, lost population between the 1930 and 1940 censuses. The loss was 62,129, or 4½ percent, in contrast with a gain of 7¼ percent for the country as a whole. Causes of this loss were drought and depression. The population decrease has already created serious problems for existing businesses and for tax-supported institutions.

This drought-depression population loss was followed in late 1940 and in 1941 by an exodus, particularly of young men, to centers of defense production. No official figures are available on the numbers involved, but the loss is known to be serious. Following is a statement incorporated in a letter from the Omaha office of the Nebraska State Employment Service to the Omaha Chamber of Commerce, under date of October 11, 1941. A photostatic copy of the letter has been supplied to your committee.

(The letter referred to above is as follows:)

Mr. ERNEST ZSCHAU,

Manager, Industrial Department, Chamber of Commerce,

Omaha, Nebr.

DEAR MR. ZSCHAU: I am enclosing a statement of the unemployed in Douglas, Sarpy, and Saunders Counties as indicated by our files as of October 1, 1941, and a summary of expected lay-offs by November 1. I stress the word "unemployed" because these individuals have been in our office seeking employment within the last 30 days. This figure is, therefore, a fraction of the total labor, skilled or otherwise, that will be available in this vicinity for construction or industrial purposes at any given time in the future.

We know there are thousands of Nebraska workers employed in other States because we have thousands of letters on file here from such persons wanting to come home as soon as there are work opportunities.

We know that other areas and industries concentrate recruiting efforts in Nebraska and that in many instances individual firms have found hundreds of workers in Nebraska for their plants located on the various seacoasts.

We know the Nebraska State Employment Service has clearance orders from employers in other States and that we are continually sending our unemployed to these jobs because there are no work opportunities at home.

It is a fact that last week one young man from an eastern defense plant was in our office stating that he was representing 1,500 midwestern young men who were employed in that one plant who wanted to come to Omaha to work in the aircraft assembling plant when it starts production.

It is a fact that scarcely a day goes by in which several individuals who have been working thousands of miles from their homes in Nebraska, come into our office begging for work nearer at home.

It is a fact that the construction of the Martin bomber plant at Omaha, which will be completed as of October 25, has employed as many as 3,000 workers, and that except for a few structural steel workers, practically every man, skilled or unskilled, was supplied from the immediate vicinity of the job. This project did not cause a ripple in the normal employment conditions in Omaha, and the job has been completed without interruption of any kind for want of workers or from labor disputes.

It is a fact that as of today there are 2,649 men, approximately half of whom represent all the various construction skills, employed at this plant. Large lay-offs will start October 25.

It is a fact that some men are voluntarily quitting their employment at this plant and leaving the State for other areas where they feel they stand a good chance of getting employment for a longer period of time. We do believe, however, most of these men will return to Omaha at the first indication of employment opportunities.

It is a fact that our current file of unemployed is larger today than in January of 1941, and that our monthly total of new applications is approximately 75 percent greater than in September of 1940.

It is a fact that complete training programs of workers for local defense industries have been established and are in operation by the department of vocational education. This department would now be free to organize other training programs for similar or other industries, if necessary.

We would approach the problem of supplying labor for an additional defense industry in this area with absolute confidence and assurance. The necessary labor of the highest type could readily be provided. This would apply even though the labor demands were two or three times greater than labor necessary for present defense plants in the Omaha area.

Yours very truly,

M. E. SAWTELL,
Manager, Omaha Office.
 By ALFRED B. PARKS,
Assistant Manager.

Since the above letter was written the Government has announced plans to construct the new \$30,000,000 bomb-loading plant near Wahoo, 32 miles west of Omaha.

It should be noted that general factory employment in Omaha is up in comparison with 1940. The Omaha Chamber of Commerce makes a monthly survey of employment in 43 selected and typical factories. In October it showed a gain of 24 percent over October 1940. The August and September gains were 22 and 20 percent, respectively. Since Omaha is by far the most important manufacturing center in the State, these gains may not be expected in other Nebraska cities. Railroad employment is also up sharply in Omaha.

EFFECT OF DEFENSE ON SCHOOLS AND PUBLIC UTILITIES IN OMAHA

The Martin bomber plant is located south of the city. As a result, many of the employees who come to Omaha from outside the city may be expected to reside on the south side. In the judgment of Omaha school authorities, Omaha's South High School and several south-side grade schools are already congested. The situation at South High School will be relieved by a \$385,000 addition, to be constructed by the Federal Works Agency. To date, however, Federal Works Agency has made no provision for relieving the prospective overcrowded conditions in the south-side grade schools. The Omaha Board of Education has no funds for additions, because it is levying the maximum tax permitted by law and because exceptionally large bond issues are maturing during the next few years.

Fort Crook and most of the intervening territory are served with water by the metropolitan Utilities District of Omaha, a municipal body. However, the line to Fort Crook is not sufficiently large to serve the Martin-bomber plant at peak operation and at the same time to serve the many houses springing up between Omaha and the plant site. If these needs are to be met, a larger line and a water-storage tank will be needed. The district has applied for Federal Works Agency aid, to date without success.

The Firestone bomb-loading plant is so located that it will tend further to attract population to Omaha's south side and to aggravate the problems above outlined.

HOUSING IN OMAHA

On October 10 the Omaha Real Estate Board and other organizations made a vacancy survey of the city and of surrounding communities (Council Bluffs, Ralston, Fort Crook, Bellevue, Papillion, and Plattsmouth). It showed the following:

	Detached houses		Houses under construction	Dupleses, flats, and apartments	Rooms	Hotel rooms
	Good	Poor				
Omaha	672	91	516	1,102	1,564	930
Other nearby communities	234	..	118	130	188	..
Total	906	91	634	1,232	1,752	930

Since the survey was made, plans have been made for 210 additional units in two housing projects outside the Omaha city limits. Other housing projects are rumored.

The Work Projects Administration made a vacancy survey of Omaha during the second week of August 1941, by the sampling method. It indicated a vacancy rate of 4 percent in the city's 65,000 dwelling units.

The following table shows the trend of residential building in Omaha during 1941. The table does not include building for residential units outside the city limits. There has been considerable activity in the rural area between Omaha and the Martin bomber plant.

Omaha building permits—1-family dwellings

Year	Number	Value	Year	Number	Value
1932	171	\$617,840	1937	314	\$1,055,820
1933	166	583,700	1938	307	1,020,180
1934	96	326,725	1939	472	1,743,070
1935	165	601,180	1940	565	2,126,855
1936	310	1,080,060	1941 (10 months)	817	3,068,350

THE NEBRASKA UNEMPLOYMENT COMPENSATION SYSTEM

Changes in the Federal social-security laws are frequently rumored, partly as an anti-inflation measure, partly to help finance defense. One effect of the rumored changes would be federalization of unemployment-compensation plans, now State administered. Apparently this would abolish the experience-rating plan, which has operated successfully in Nebraska. Under this plan an employer maintains a reserve and is given a reduced rate of taxation if his employment is stabilized and claims against his reserve are few. It is estimated that Nebraska employers are saving \$1,600,000 a year in unemployment-compensation taxes because of the experience-rating plan. At the same time the plan protects the employee, because it gives the employer incentive for keeping employment constant or for finding other jobs for employees severed from the pay roll. A Federal plan which abolishes merit rating would mean greatly increased taxes for Nebraska employers at a time when they are already faced with almost insuperable problems because of priorities, inability to secure defense work, taxes, and generally rising costs.

HIGHWAYS

The Martin bomber plant is on United States Highway 75, which was formerly a winding two-lane road. Anticipating the large increases in traffic, the Nebraska State Highway Department is now completing a straight, modern, four-lane highway to the plant. It is hoping to recover part of the cost from the defense highways fund of the Federal Government.

The Firestone plant near Wahoo is reached from Omaha by U S 30A (also numbered Nebraska 92). An access road about a mile long will also be needed. U S 30 A is a four-lane highway for 11 of the 32 miles. Beyond that point it is a two-lane concrete highway. Since it is reasonable to expect that a large number of the employees will reside in Omaha, consideration should be given to widening the two-lane portion of the highway.

CONCLUSIONS

In the opinion of the officers and executive committee of the Omaha Chamber of Commerce, the city of Omaha may be expected to gain rather than lose population during the period of national defense. However, there will probably be shifts of population within the city and the metropolitan area which will create problems. To date no serious influx of population is in evidence.

Also, in the opinion of the chamber, many businesses will suffer, and some will be liquidated because of priorities and shortages of merchandise, machinery, and equipment. This trend will probably be accelerated by rising costs and narrowing margins of profit.

The Omaha Chamber of Commerce views with deep concern the outward movement of population from other Nebraska cities and from the villages and farms.

We have repeatedly petitioned Washington on behalf of defense projects in out-State Nebraska, and through your committee we wish to renew the appeal. We believe that it is sound national policy to provide people with economic opportunity close to home. When they are transplanted they raise problems both in their new homes and in their old ones.

TESTIMONY OF HON. DAN B. BUTLER—Resumed

The CHAIRMAN. Mr. Butler, there are a few questions which we should like to ask you in order that the record may be completed.

What is the present and prospective defense employment in Omaha?

MAYOR BUTLER. According to the industrial bureau of the Chamber of Commerce, and some other authorities, it is estimated that the number of defense workers will be 1,200. This number includes approximately 500 in the Omaha Steel Works, manufacturing shells, and smaller numbers in factories devoted to the manufacture of tents, caps, trousers, and similar articles. There are also various metal-trades factories. The chief project, however, is the Glenn Martin bomber plant at Fort Cook, which will open, I understand, in the first part of February.

The CHAIRMAN. Is that still under construction?

MAYOR BUTLER. It is finished.

The CHAIRMAN. What is the status of the Wahoo project?

MAYOR BUTLER. The Wahoo project hasn't started yet.

The CHAIRMAN. Are there any other projects planned in the near future?

MAYOR BUTLER. I have no definite information of any.

The CHAIRMAN. About how many workers will the Martin bomber plant require?

MAYOR BUTLER. About 7,000 or 8,000 to start.

The CHAIRMAN. And the Wahoo plant?

MAYOR BUTLER. I couldn't answer that.

The CHAIRMAN. How near is Wahoo?

MAYOR BUTLER. About 30 miles from here.

The CHAIRMAN. And Fort Cook?

MAYOR BUTLER. Eight or ten miles from the southern city limits of Omaha. About 14 miles from the center.

The CHAIRMAN. How many of the needed workers will be available in Omaha?

MAYOR BUTLER. That is hard to tell right now. During the last year or 18 months the large majority of skilled laborers have left Omaha to go to other industrial centers. Many of those, however, who have their homes established here in Omaha would like to come back, and I have received a good many applications from such people, which I have submitted to Mr. Scafe.¹

PREFERENCE GIVEN NEBRASKA RESIDENTS

The CHAIRMAN. Do you think preference will be given to those former Nebraska residents?

MAYOR BUTLER. I don't think there is any question about that. The Martin people are bringing quite a few of their keymen in to get the plants in operation.

The CHAIRMAN. I presume that is necessary.

¹ See p. 8410.

MAYOR BUTLER. But these men who have left Omaha have had a good deal of experience in other plants, and they will be in a position to go right in and start work without very much training. The plant, I understand, will have a training school of its own. That is in Baltimore. It will train quite a few of these young men and lead them up to practical work.

THE CHAIRMAN. What facilities has the city for housing those coming from outside the city? Have you a housing shortage now?

MAYOR BUTLER. No. I don't think we have. In a survey made in Omaha recently by the real-estate board, there were listed a total of 5,545 vacancies, and of these, 2,600 are "flat" buildings—apartments and houses—1,750 rooms in private homes, and 930 hotel rooms. Of course, some of these buildings may require remodeling, which will be done. The foregoing figures do not include 180 houses built in the Upland Homes district in South Omaha, adjacent to the bomber plant.

Of the employees of this bomber plant, probably 75 percent will be single men. The company expects young men, between the ages of 18 and 25, and they will require rooms rather than houses or apartments. I am just basing that on an answer Mr. Martin gave me when he was here some time ago. I think there will be housing facilities to take care of the employees of that plant.

THE CHAIRMAN. The Wahoo plant is to be a powder plant?

MAYOR BUTLER. I understand it is to be a shell plant. I am not certain.

THE CHAIRMAN. Do you know how many workers will be required?

MAYOR BUTLER. I know very little about it.

THE CHAIRMAN. Your investigation has been concerned only with the Martin bomber plant?

MAYOR BUTLER. Yes.

COMMUNITY FACILITIES

THE CHAIRMAN. Will your community require other facilities, such as schools, water supply, and sewage disposal? Have you requested any money for such facilities?

MAYOR BUTLER. I don't quite understand what you mean by community facilities.

THE CHAIRMAN. The Lanham Act makes money available, whereby the Federal Government can assist communities that have had imposed on them an undue burden by reason of the impact of the defense program.

MAYOR BUTLER. Just how would that money, when appropriated, be spent, and by whom?

THE CHAIRMAN. On applications which are favorably received, the Federal Government makes grants of whatever percentage its agency thinks ought to be made. In some instances it makes loans, and in nearly all instances it requires the municipality to put up part of the funds. There is no set schedule by which those various amounts will be advanced.

MAYOR BUTLER. I might say in answer to part of your question that the Omaha School Board has been granted \$400,000 for an addition to the South Omaha High School, which has been congested. This school is in the south part of Omaha, adjacent to the Fort Cook plant. Unless there is a large influx of workers from the south side, the grade

schools down there will probably be able to take care of the children of the defense workers, although there is a need of additional funds for grade school improvements.

The CHAIRMAN. You say the high school has been granted \$400,000. By whom?

MAYOR BUTLER. By the Federal Government.

The CHAIRMAN. Is that recent?

MAYOR BUTLER. Yes. Our other facilities seem adequate. We have an ample supply of water. We own our own water plant. As far as the sewerage system is concerned, we have just recently finished a large sewage-disposal plant in the west side of the city, and hundreds of thousands of dollars have been spent in the construction of sanitary sewers. At Bellevue, which is a village close to the Fort Cook bomber plant, I understand they are constructing sanitary sewers.

UNEMPLOYMENT

The CHAIRMAN. In your opinion, will unemployment in nondefense industries in Omaha become a serious problem?

MAYOR BUTLER. I have always felt and feel now that we have industries here that could take over a lot of this Government work if the large contracts were sublet. I think that is true in every part of the country. There is too much awarding of large contracts which should be broken down and sublet in larger cities with industries that could take over a lot of that work. As far as our unemployment is concerned, in the last year or 18 months the certified workers on W. P. A. have been greatly reduced. A good many of them have gone to private plants over the country and others into private industry.

The CHAIRMAN. Are your local W. P. A. load and local relief load lighter today than in the past?

MAYOR BUTLER. Yes; very much so. There are at the present time about 3,200 men and about 600 women on W. P. A. rolls. Of these possibly 95 percent are unskilled workers.

The direct relief load at the present time is approximately 1,000. This doesn't include old-age-assistance cases, which number about 4,000.

W. P. A. rolls a year ago numbered about 7,000. There has been a steady decline in the number listed since that time, and, of course, many of the men on W. P. A. now would not be able to qualify for skilled work on defense projects. They are older men.

The CHAIRMAN. I believe you said that a great many of your people had gone away from here to work in other defense industries.

MAYOR BUTLER. A very large number have gone to other plants. When the Martin bomber plant was started, the company had difficulty in getting skilled labor. About 75 percent of the skilled labor used in the construction of the Martin bomber plant came from the outside—men like electricians, construction iron workers, glaziers.

The CHAIRMAN. That was due to the fact that they were not available here?

MAYOR BUTLER. That is correct. Close to 100 percent of the common labor was available here in Omaha and Council Bluffs.

Mr. CURTIS. By "outside," do you mean that some of those skilled men were out-State Nebraskans?

MAYOR BUTLER. No. Only a very few.

Mr. CURTIS. How do you account for that? Was there a scarcity of skilled workmen in this State?

Mayor BUTLER. That was brought about by the fact that we didn't get any industry here. If we had a year or 18 months or 2 years ago, we would have retained our skilled labor here.

Mr. CURTIS. The most highly skilled were the ones who left early?

Mayor BUTLER. That is correct.

Mr. CURTIS. Do you feel that the people lost by the State during that time, and whom the State is continuing to lose, are skilled people and some of its best producers?

Mayor BUTLER. That is correct.

Mr. ARNOLD. Did the construction of the Martin bomber plant take some of your W. P. A. men off?

Mayor BUTLER. Some of them. I talked with Mr. Knudsen, the general superintendent of the plant, recently, and he stated that many of those who had been sent down there weren't really able to take on the work. They are older men, and, while it is true that the W. P. A. was very happy to be able to send men down there, many of the younger and more able-bodied men were satisfied because they were working here on the streets and boulevards and on sewer work in the city of Omaha and didn't care to change their positions at that time. But quite a few went down there from the W. P. A. rolls.

Mr. ARNOLD. Of the 3,200 men now on W. P. A., not many are employable in defense projects?

Mayor BUTLER. That is correct.

Mr. CURTIS. Mr. Mayor, we thank you very much for your appearance here.

The CHAIRMAN. Our next witness is Governor Griswold.

TESTIMONY OF HON. DWIGHT GRISWOLD, GOVERNOR OF NEBRASKA

Mr. CURTIS. Governor, this committee came to Nebraska over a year ago, when we were investigating the interstate migration of destitute citizens, and Governor Cochran appeared as one of our witnesses.¹ We had a 2-day hearing at Lincoln which dealt with Nebraska's problems, due to loss of population by reason of the long period of drouth and its accompanying depression.

Upon the completion of that investigation, this committee was assigned by the Congress a new job, dealing with dislocations in industry and population, brought about by reason of the defense program.

We are very happy that you could find time from your duties at the statehouse to come down here. The committee is well aware of your interest in the defense program, and in the welfare of Nebraska. Our record will be held open for about 10 days after this hearing, and if it develops that any of the departments of the State—your department of labor, or your department of agriculture, or your defense set-up—has something to submit, we will be very happy to receive it.

Governor, I have a few questions to ask you, but if you would like to say something first, you may proceed in your own way.

Governor GRISWOLD. I took occasion during the last week to read the statements that were made a year ago by Governor Cochran and Mr. Cal A. Ward, of the Farm Security Administration, which related largely to the dislocation resulting from migration of people for agri-

¹ Lincoln hearings, pp. 1348-1353.

cultural purposes. I believe your hearings fairly well covered the situation as it then existed.

STATE LOST 65,000 PEOPLE IN 10-YEAR PERIOD

We have lost 65,000 people between 1930 and 1940. I think, so far as agriculture is concerned, it is a permanent reduction. Today it takes fewer people to raise a crop than it did in years gone by, due to machinery, to improved seed, and better feed crops; and unless irrigation is established in certain sections of the State, the agricultural population will not come back. In fact, we may lose additional people.

This loss of employment in agriculture is related to defense industries. Today, with the young men leaving the farms to take jobs in industry, a labor shortage in agriculture can easily be created. The natural result will be that the farmer will change his operations, perhaps get some improved machinery, and arrange to carry on his business with fewer men working for him. That is going on on the farms and on the ranches of Nebraska. It went on this year and will probably continue to a greater degree next year.

Mr. CURTIS. Perhaps a specific illustration of that is the sale of mechanical corn pickers in areas that are really beyond the better Corn Belt.

MECHANIZATION

Governor GRISWOLD. That is right. I was reared in the cattle country of the State. I remember, when I was 12 or 13 years old, I was living in town, but all the boys in my class used to work on the hay fields in the summer, and they used horses entirely.

Today, in many of the larger ranches, they have a tractor-mower, with a 10-foot cut in the rear and an 8-foot cut on the side. They will put lights on this tractor and run it 24 hours a day. They will change drivers, maybe have two or three shifts; but the tractor-mower will be kept running. It is able to do, with two men working it, the work that five or six men did in years gone by.

Now, with the young men leaving the farms and ranches to take jobs in industry, the operator of this farm or ranch rearranges his own operations to fit that condition, and it will be a permanent rearrangement. When the boys leave the factory and want to get back on the farm, there will be no jobs for them.

Of course, the higher wages brought about for agricultural help also cause a man to consider the purchase of improved machinery and do away with the help he formerly required.

So agriculture and defense are tied up, and it is going to affect our agricultural population permanently. Men are going to farm larger acreages, and do it with more machinery and fewer men. Of course, in those sections of the State where irrigation has been established, and where we hope irrigation will be established in the future, there will be increases in the farm population.

Mr. CURTIS. Yesterday at Hastings, in addition to some of the small out-State manufacturers, one of our witnesses was Dr. Christensen, who is helping this State with the farm chemurgy plan, and the thought was repeatedly brought out that if Nebraska could make a contribution to the defense program in the development of plastics or commercial alcohol industries, it would fit in with our agricultural scheme, and have a great value in converting to peacetime uses after the defense period is over. Would you tell the committee a little about what the legislature did to start this program that Dr. Christensen heads?

APPROPRIATION FOR CHEMURGIC INVESTIGATION

Governor GRISWOLD. There was a total of about \$33,000 appropriated for this chemurgic investigation, and it was placed in the hands of the board of regents of the State university, who chose Dr. Christensen to carry on the work. The thought was that all Nebraska was vitally interested in seeing a better use made of our agricultural products, because it had been proved that agricultural products can be used for industrial purposes. War conditions in Europe have caused tremendous improvements along that line. What they are learning can well be applied here. But Nebraska wants to pay some attention to the subject in this State.

The Federal Government has set up laboratories—I think there is one at Peoria—where they are experimenting along this same line. But those laboratory experiment stations are not particularly interested in the problems of an individual State. This money is available and Dr. Christensen was instructed to pay particular attention to how Nebraska can fit into those changes in industry.¹

It has been proved that corn stalks and wet straw and almost everything else can be used for industrial purposes.

Mr. CURTIS. Is the State highway program being adjusted with particular reference to those areas that will need additional highways such as the Fort Cook area?

Governor GRISWOLD. That is all taken care of.

Mr. CURTIS. What about the Wahoo plant?

Governor GRISWOLD. We don't know what highway construction will be required. Nothing is being done until we know what those in charge say.

Mr. CURTIS. Nebraska has cooperated with the civilian defense plan of the Government, has it not?

Governor GRISWOLD. Yes, sir.

Mr. CURTIS. Who is the State director?

Governor GRISWOLD. I am ex officio chairman of the Nebraska Advisory Defense Committee. Mr. Sid R. Martin is executive advisory chairman, and has carried on a good deal of the work. He is also the director of our banking department. Mr. R. F. Weller is the secretary of the committee.

Mr. CURTIS. The organization has been carried down to regional and county groups, has it not?

Governor GRISWOLD. Yes, sir; not every county, but those where it is necessary at this time.

Mr. CURTIS. And you find that Nebraskans are ready and anxious to do their part?

Governor GRISWOLD. Yes.

Mr. CURTIS. Governor, there have been some references to changes brought about by the defense program, and to Nebraska as an "old folks home." Do you think that is an accurate description of developments that are now going on?

ABSORPTION OF FARM LABOR BY DEFENSE INDUSTRIES

Governor GRISWOLD. Nebraska has been largely an agricultural State, and due to the drought that we have had, there has been a loss of interest in agriculture. Ambitious young men have not been willing to stay in it. There was no reason why they should stick it out at a loss. They looked for other locations. Then defense industry

¹ See Hastings hearings, pp. 8333-8335.

started a year or so ago, and young men coming from the farms of the Middle West—not just Nebraska, but Iowa, Illinois, Indiana, Minnesota, Wisconsin, Kansas, Missouri, the two Dakotas—those young men are accustomed to handling machinery and also accustomed to making decisions. With a very little training, those young men make excellent mechanics in defense industry, and I have that report direct from a great many factory owners and operators. They can take these young fellows from farms in Nebraska and the surrounding States, and with a few months training they make excellent workers, although their whole life may have been spent in farming.

Most of these boys are high-school graduates. They have enough educational background to pick up something new, and on a farm you have to learn to apply yourself to changes and new developments. They are accustomed to doing things with their hands and with their heads. There has been a demand on the part of industry for that type of young men, and in the big plants in the East you find a large number of the young men working there in industry, who just a year or so ago had been working on farms in the Middle West. Farming didn't pay out there; wages were high in the industrial centers; and so these young men moved. You can't blame the young men. They probably did what any normal man would do.

Mr. CURTIS. This committee, in its interim report given to the Congress in October, recommended further decentralization of defense activities and also further subcontracting in order to reach the interior of the United States. Do you feel that is a good thing?

Governor GRISWOLD. I do. I am not so interested in just building up the population of Nebraska. Merely having additional population doesn't do a State any good. I would like to see the income of Nebraska built up so the people are more prosperous.

DECENTRALIZATION

But I do think it is a good thing for the Nation to scatter out its industry and not keep it concentrated in a few areas. This concentration in large cities and certain industrial areas has created some of the problems that the Nation is facing today.

Mr. CURTIS. The decentralization would tend to spread both the assets and the liabilities that accompany the program to the various communities, would it not?

Governor GRISWOLD. Yes, sir.

Mr. CURTIS. Governor, is it too early to tell whether there will be any great problems involved in Saunders County in connection with taxation of the land that will be taken out?¹

Governor GRISWOLD. It won't be a problem to the State, but it will be to the county, decidedly.

Mr. CURTIS. The lower units also?

Governor GRISWOLD. Yes; the school districts, the municipal units of Government, will be seriously affected. We had the same problem arise in Nebraska in connection with the public power districts. However, they have taken the attitude that they would pay certain sums of money in lieu of taxes and that has been done, so that municipalities and counties and the State itself receive some money from the public power districts in lieu of the taxes formerly paid by that same property when in private ownership. If that policy is adopted in this case, it might change the local situation.

¹ See pp. 8167-8169.

There is no liability on the Government to do that. It is to be voluntary. That situation does not arise in Fort Cook, because the plant there is being built on a military reservation, already tax free.

IMPROVEMENT IN TAX COLLECTIONS

Mr. CURTIS. Tax collections in Nebraska have picked up because of this year's crops, have they not?

Governor GRISWOLD. Yes; they have.

Mr. CURTIS. The record in spite of the drought has been very good?

Governor GRISWOLD. Very good.

Mr. CURTIS. Governor, I emphatically agree with you that mere loss or gain in population in itself is no great concern, but we are interested in the factors that cause such losses. When Nebraskans have to pull up and leave, it indicates that the going is rather tough for their neighbors, especially among the farmers.

Mr. SPARKMAN. I want to say to the Governor that I am in full agreement with his statement with reference to the further decentralization of the defense program, not only from a strategic point of view, but for the purpose of alleviating the very conditions that Mr. Curtis has just mentioned.

We have found it to be true that so long as our defense program is concentrated in great industrial areas, they serve as a syphon to draw population from the inland States to those areas, and, of course, when this thing is over, they are going to be stranded there, with a terrific relief load on those communities. I don't believe it is for the economic good of the country as a whole. I come from an inland area myself, and we have always argued for the decentralization of our war industries to the end that needless shifting of population be avoided. These farm boys who have been looked upon in the past as being unskilled, regardless of whether they come from the Midwest or the South or anywhere else, have been found to be potentially the very best of skilled labor, and I think that in itself is going to be a great advantage to our Nation as a result of this decentralization program which is at last getting under way.

DEFENSE CONTRACT DISTRIBUTION

Mr. ARNOLD. Governor, with two large plants going in near Omaha and Lincoln, do you think it would be better if, instead of building one or two \$25,000,000 or \$40,000,000 shell-loading plants or bomber plants, we broke it down into 5 or 10 \$1,000,000 plants, so as to reduce congestion?

Governor GRISWOLD. My answer to that is yes, but, even beyond that, I would prefer to see work given to plants already in existence, because in many of our smaller towns there are small plants with good machinery and equipment.

I don't know just how practical such an effort would be, but I do know that all over Nebraska are fine little factories that are capable, without any new construction, of furnishing employment to a lot of people and of aiding the defense work, and I think it is much to be preferred that they receive contracts, rather than that new plants be constructed.

You were out at Hastings, and you heard the story out there. Down in Beatrice, the Dempster Mill Manufacturing Co. ships stuff all over the Nation, down through our State and Illinois and Ohio,

and they are doing very little along defense lines.¹ Right here in Omaha are hundreds of small places that would be well qualified, with just a few months, to get ready to do something constructive.

Mr. CURTIS, Governor, I think we came out of Hastings with two very definite ideas to carry back to Washington.

One was that when these requests for bids are sent out to smaller concerns, some of those concerns were asked to get the bids back to the east coast in 3 to 8 days, and they couldn't confer with the people who were to give them the material.²

The other is that these concerns do not even get a chance to be considered for defense work because the Government is not aware of their facilities and what they can make. Consequently, there is a need for Government engineers to visit these plants, with full authority to negotiate contracts with them if they find that they can produce certain parts which are needed in the defense program.

Governor, we are delighted to have received your testimony.

Governor GRISWOLD, I am very happy to be here.

Mr. TIRTON, At this point I should like to introduce for the record several statements concerning migration conditions in Nebraska, prepared by persons familiar with these conditions.

The CHAIRMAN, They may be placed in the record.

Mr. TIRTON, These statements are Nebraska Changes in Population, 1930-40, by J. O. Hertzler; Defense Loss Survey, from data supplied by the Associated Industries of Nebraska; Farm Labor in Nebraska and the Outlook for 1942, by W. H. Andresen; Forced and Voluntary Migration in Nebraska, by the Bureau of Agricultural Economics, United States Department of Agriculture; Farm Migration, by W. H. Brokaw.

(The statements mentioned appear in order following:)

NEBRASKA CHANGES IN POPULATION 1930-40

By J. O. HERTZLER, Professor of Sociology, University of Nebraska

INTRODUCTION

The State of Nebraska has undergone some startling population changes during the last decade, as revealed by the advance announcements of the Sixteenth (1940) Census of the United States. Changes in the total number of human beings in a given area; their relative densities in different portions of the area; their age and sex distribution; their urban or rural location; the rate, direction, and nature of their mobility; their birth rates, death rates, and net rates of reproduction; their marital status and size of their families; their major occupational divisions and so on are related, directly or indirectly, to almost all other social occurrences, both as cause and effect.

More or less unique changes have been taking place in the Northern Great Plains region of the United States. Particularly notable has been continued urbanization at the expense of the open countryside and the small towns, the rapidly falling rural birth rate, the rapid relative decline of the rural population, and out-migration, even to the extent of net population losses by States. Some of these changes can be attributed in part to meteorological and biological cycles, especially drought and grasshopper plagues; in most cases, however, they reflect longer and more deeply rooted trends bound up with technological changes.

All of these demographic processes have been strikingly demonstrated in Nebraska in recent decades, particularly the period 1930-40.

¹ See Hastings hearings, p. 8349.

² See Hastings hearings, pp. 8270, 8285, 8295, etc.

THE TOTAL POPULATION OF NEBRASKA BY DECADES WITH SPECIAL EMPHASIS UPON
THE LOSS DURING THE PERIOD 1930-40

The general growth of population in Nebraska since 1870, when the first Federal census after admission to statehood was taken, is indicated in the table below.

TABLE 1.—*Nebraska population, 1870-1940*¹

Year	Population	Increase over preceding decade		Average density of population per square mile
		Number	Percent	
1870.....	122,993			
1880.....	452,402	329,409	267.8	5.9
1890.....	1,062,656	610,254	134.9	13.8
1900.....	1,066,300	3,644	.3	13.9
1910.....	1,192,214	125,914	11.8	15.5
1920.....	1,296,372	104,158	8.7	16.9
1930.....	1,377,963	81,591	6.3	17.9
1940.....	1,315,834	-62,129	-4.5	17.2

¹ Compiled from the reports of the Ninth to Sixteenth Censuses.

While the density of population per square mile of the country as a whole was increasing from 41.1 in 1930 to 44.2 in 1940, Nebraska's population density per square mile of land area (76.653 square miles in 1940) was decreasing from 17.9 to 17.2, making the State thirty-seventh in rank according to density among the 48 States.¹

The first and most obvious fact concerning Nebraska population is the net decrease of its population in the 1930-40 decade. The population in 1930 was 1,377,963; in 1940, 1,315,834—a loss of 62,129, or 4.5 percent. The entire tier of north and south States, however, suffered similar losses as revealed in the table below.

TABLE 2.—*Population changes in tier of States, 1930-40*

	1940 population	1930 population	Numerical loss	Percentage loss
North Dakota.....	641,935	680,845	38,910	5.7
South Dakota.....	642,961	692,849	49,888	7.2
Nebraska.....	1,315,834	1,377,963	62,129	4.5
Kansas.....	1,801,028	1,880,999	79,971	4.3
Oklahoma.....	2,336,434	2,396,040	59,606	2.5

These same States had all had relatively small increases in population in the 1920-30 decade, except Oklahoma, which enjoyed the main impact of its oil boom during that period. These States increased as follows: North Dakota, 5.3 percent; South Dakota, 8.8 percent; Nebraska, 6.3 percent; Kansas, 6.3 percent; and Oklahoma, 18.1 percent.

NEBRASKA LOSSES AND GAINS BY COUNTIES

Of Nebraska's 93 counties, 16 gain a total of 24,565 persons while 77 lost 86,694. The county making the greatest numerical gain was Douglas with 14,580, Scottsbluff County coming second with 5,273, and Keith County third with 1,612. In terms of percentage gains, however, Keith came first with 24 percent, Scottsbluff second with 18.4 percent, and Rock third with 18.2 percent.²

The greatest numerical losses were sustained by Custer County with 3,598, Clay with 3,126, Knox with 2,632, Boone with 2,611, York with 2,365, and Saunders, 2,275. Clay County suffered the greatest percentage loss with 23 percent. Arthur County came next with 22.2 percent, Webster third with 21 percent, and Frontier fourth with 20.9 percent.

¹ Density of Population by States: 1940, Sixteenth Census, Washington. Release of May 21, 1941.

² These and all other figures in this section were obtained from or compiled from Population of the State of Nebraska—Final Figures, 1940, Sixteenth Census, Washington, release of January 7, 1941.

The growth of Douglas and Surry Counties must be attributed entirely to the growth of the city of Omaha.

The gains of Scottsbluff County in the semiarid panhandle of the State is due to the recent development of irrigation on a large scale, which has made the fertile soil very productive.

The gains in Rock, with 18 percent, and Brown, Gartfield, Keya Paha, and Holt with their lesser gains, cannot be so easily accounted for. The increasing stability of the cattle industry, which looms very large in these counties, may be a factor. The small gains made by Hooker and Thomas Counties, respectively 73 or 6.2 percent and 43 or 2.8 percent, are thought to be due to the practice of southern Cherry County and northern McPherson and Logan County ranchers to move into the Loup Valley towns at least during the school year (the census was as of April 1) to enable their children to attend the schools.³ The gains, or only small losses in the Platte Valley counties other than Scottsbluff and Keith, such as Lincoln, Dawson, Buffalo, and Hall, probably are attributable to irrigation or irrigation projects.

Most of the counties with larger cities in them or near them actually increased in population or were held to small losses. Thus Dakota County's 3-percent gain is largely due to Sioux City's population and activity spilling over the State line into the adjoining portions of Nebraska directly across the Missouri River. Lancaster with Lincoln, Gage with Beatrice, Platte with Columbus, Hall with Grand Island, and Lincoln with North Platte, either made small gains, or suffered only slight losses. In each case the increase in population of the city offset in whole or in large part the drastic losses in the county outside the city.

Of the five counties losing more than 20 percent of their population—Arthur, Frontier, Harlan, Webster, and Clay—the last four are of the double tier along the Kansas border where the effects of the drought were most pronounced. Hayes, Furnas, Kearney, Franklin, and Nuckolls Counties with losses of 15 to 20 percent and Hitchcock, Red Willow, and Gosper in the 10-15 percent loss classification are also in this tier. The other hard-hit counties such as Greeley, Boone, Sherman, Howard, and Hamilton are either in a state of transition from corn country back to grass country, or their condition is due to drought plus cultivation of much marginal land. Arthur County with a 22.2 percent loss and Banner and Kimball Counties with losses of 16.3 percent each are in the areas where a marked consolidation of farms and consequent increase in size of single farms has been taking place.⁴

Those interested in public administration will be struck by the fact that there are nine counties in the State that are trying to maintain a complete county governmental organization by means of and for populations of less than 2,000. These counties are Arthur (1,045), Banner (1,403), Blaine (1,538), Grant (1,327), Hooker (1,253), Logan (1,742), Loup (1,777), McPherson (1,175), and Thomas (1,553). Furthermore, with the exception of Banner, these are adjoining counties.

RURAL AND URBAN LOSSES AND GAINS

When Nebraska population changes are examined from the rural-urban angle another interesting array of facts presents itself. The population of 1,315,834 in 1940 consisted of 514,148 persons or 39.1 percent classified as "urban," that is, persons living in incorporated cities of 2,500 or more, while 801,686, or 60.9 percent were classified as "rural." The rural population is further subdivided into "rural farm"; that is, all persons living on farms without regard to occupation, and "rural nonfarm," or persons living in a wide variety of locations ranging from isolated nonfarm homes in the open country, through unincorporated and incorporated isolated villages and towns, to the incorporated and unincorporated suburban areas surrounding larger cities (with less than 2,500 population). The rural farm population of the State amounted to 495,858 in 1940, or 37.7 percent of the whole; the rural nonfarm to 305,828, or 23.2 percent of the whole.

³ Opinions of H. C. Filley, professor of rural economics, University of Nebraska, Lincoln Sunday Journal and Star, July 21, 1940.

⁴ H. C. Filley (ibid.).

The accompanying table shows the changes in these population classifications by decades since 1910.

TABLE 3.—*Nebraska urban and rural population, 1910-40*¹

	Total		Urban		Rural farm		Rural nonfarm	
	Population	Percent	Population	Percent	Population	Percent	Population	Percent
1910.....	1, 192, 214	100.0	310, 852	26.1	631, 467	52.9	249, 895	21.0
1920.....	1, 296, 372	100.0	405, 306	31.3	584, 172	45.0	306, 894	23.7
1930.....	1, 377, 963	100.0	486, 107	35.3	582, 981	42.3	308, 875	22.4
1940.....	1, 315, 834	100.0	514, 148	39.1	495, 858	37.7	305, 828	23.2

¹ Figures obtained from or compiled from Nebraska's Population, Nebraska State Planning Board, Lincoln, 1937, pp. 8, 12; Urban and Rural Population of the United States: 1940, Sixteenth Census, Washington. Released Jan. 18, 1941; Rural-Farm and Rural-Nonfarm Population (preliminary): 1940, the United States, by States, Sixteenth Census, Washington, released Mar. 10, 1941.

From the above table it will be noted that the urban population of the State has consistently increased, from 26.1 percent of the whole population in 1910 to 39.1 percent in 1940. The rural farm population, on the other hand, persistently declined both in number and proportion of the whole (631,467, or 52.9 percent, in 1910 to 495,856, or 37.7 percent, in 1940). Moreover, in 1940, for the first time, the actual population on the farms was less than that of the cities. Viewed from another angle, it may be noted that since 1910 the Nebraska farm population has decreased a total of 135,609, or 21.4 percent. During the same time the city population increased 203,296, or 65.4 percent. The rural nonfarm population has not varied widely in its proportionate significance in the State, by decades having been 21 percent, 23.5 percent, 22.4 percent, and 23.2 percent of the whole.

During the last decade the urban population of the State increased by 28,041, or 5.8 percent. At the same time the farm population decreased by 87,123, or 14.9 percent, and the rural nonfarm by 3,047, or 1 percent. This was really the continuation of established trends, however. During the decade 1920-30, the population of the State increased 81,591, or 6.3 percent. But the population of the urban places during this decade increased 80,814, or 19.9 percent, while the population of the rural territory, both rural farm and rural nonfarm, barely held its own with an increase of 777, or 0.1 percent.⁵ It is apparent that the State's great loss of population during the decade just past must be accounted for primarily in the loss of population on the farms and secondarily in the hamlets, villages, and towns.

Of the 36 places of "city" rank (2,500 or more), 8, or 22.2 percent, lost population. Of the larger towns (over 1,000), 33.3 percent lost population, and 66 percent of the small towns and villages (below 1,000). This bears but the findings above, namely, that the big losses were in the open country and the small towns and villages.

In general, the larger towns and cities, pretty well spaced along the highways, held their own during the past decade. This is partly due to the fact that they are service centers for the surrounding countryside. During the last decade the larger towns and cities also attracted a considerable number of candidates for relief—people forced to leave farms or tiny villages because of foreclosure, or absorption of a tenant farm into a larger holding.

The small villages, on the other hand, render such limited services as they are capable of directly to the immediately surrounding agricultural area. When the farms of the State lose approximately 15 percent of their population it can be readily seen that many small towns and villages will lose some of their reasons for existence. This is reflected in the fact that 66 percent of them lost population during the past decade.

BIRTHS, DEATHS, AND NET INCREASE, 1930-40

When the preponderance of births over deaths in the State of Nebraska is examined year by year for the past decade, alongside of the fact that the State lost a total of 62,129 persons during the same decade, one is confronted with a startling situation. The data is set forth in the following table:

⁵ Population, First Series, Number of Inhabitants, Nebraska, Sixteenth Census, p. 1.

TABLE 4.—*Nebraska births and deaths, number and rates, per 1,000 of population, 1930-40*¹

Year	Births			Deaths			Nebraska net increase per year
	Number	Nebraska rate per 1,000 population	United States rate	Number	Nebraska rate per 1,000 population	United States rate	
1930	27,004	19.6	18.9	13,292	9.7	11.3	14,226
1931	26,609	19.4	18.0	12,908	9.4	11.1	13,701
1932	25,159	18.5	17.4	12,922	9.5	10.9	12,237
1933	24,185	17.8	16.5	12,924	9.5	10.7	11,261
1934	25,085	18.6	17.1	13,372	9.9	11.0	11,713
1935	23,327	17.4	16.9	13,181	9.8	10.9	10,146
1936	23,798	17.8	16.7	13,752	10.3	11.5	10,046
1937	22,270	16.1	17.0	13,199	9.9	11.2	9,071
1938	22,401	16.9	17.6	11,964	9.0	10.6	10,437
1939	22,338	16.9	17.3	12,194	9.2	10.7	10,144
1940	22,163	16.8	17.9	12,592	9.6	10.8	10,654
Total	237,325			129,008			108,327

NOTE.—Exclusive of 1930.

¹ Compiled from Live Births United States, 1915-1939, Bureau of the Census, issued Nov. 12, 1940; Deaths and Death Rates: United States, 1915-39, Bureau of the Census, issued Jan. 13, 1941; Provisional Natality Statistics, United States: 1940, Bureau of the Census, issued July 2, 1941; Provisional Mortality Statistics, United States: 1940, Bureau of the Census, issued June 18, 1941.

Two striking facts stand out in the preceding table. The one has to do with the comparison of birth and death rates of Nebraska with the United States as a whole. Through 1936 the Nebraska birth rate was greater than that for the registration area of the United States as a whole, while from 1937 to 1940 it was lower; the Nebraska death rate was lower for every year of the decade. The second notable occurrence is the greater preponderance of births over deaths. In the 10 years beginning with January 1, 1931, there were 237,325 births and 129,008 deaths, giving a total natural increase for the State of 108,327 during the period.

As noted in the preceding section, the reduction in the rural population is one of the most critical of Nebraska population changes. Further light is thrown on the problem by census data relative to the changes in rural births and deaths, and rural birth rates and death rates as compared with urban rates. These are facts that must also be kept in mind in connection with the discussion below of the decrease in the number of Nebraska farms.

TABLE 5.—*Total population compared with numbers and rates of urban and rural births and deaths for Nebraska for the years 1920, 1930, and 1940*¹

	1920	1930	1940
Population:			
State	1,301,737	1,380,000	1,315,834
Urban	285,539	369,100	397,424
Rural	1,016,198	1,010,900	918,410
Births:			
State	30,911	27,004	22,163
Urban	6,806	7,844	8,725
Rural	24,105	19,160	13,438
Birth rates:			
State	23.7	19.6	16.8
Urban	23.8	21.3	21.9
Rural	23.7	12.2	14.6

¹ Birth and death figures were compiled from the same sources as the preceding table. In addition the census reports on mortality statistics for 1920 and 1930, birth statistics: 1920, and births, stillbirths, and infant mortality statistics: 1930 were used. Let the reader be confused, it should be pointed out that the census in the figures given in this table interpreted cities as places of 10,000 and over, and all the rest of the population as rural. Attention should also be called to the fact that the population figures for 1920 and 1930 in this present table are given by the Census as estimates for July 1, and not for Jan. 1. It should also be noted that the crude birth rate is based on births per 1,000 of estimated population. While the rural birth rate above seems to be very low, it does not necessarily indicate that rural wives are less fertile than urban wives. Actually, as we will note, there is a marked disproportion of the sexes in the rural areas of the State—some 110 men to 100 women. Ordinarily where we have a disproportion of either sex, the birth rate, and the rate of increase will be lower than where there is more equal division between the sexes in the same population.

TABLE 5.—*Total population compared with numbers and rates of urban and rural births and deaths for Nebraska for the years 1920, 1930, and 1940—Continued*

	1920	1930	1940
Deaths:			
State.....	12,976	13,292	12,592
Urban.....	4,062	4,878	5,053
Rural.....	8,914	8,414	7,539
Death rates:			
State.....	10.0	9.6	9.6
Urban.....	14.2	13.2	12.7
Rural.....	8.8	8.3	8.2

On July 1, 1920, when the Nebraska rural population was estimated at 1,016,198, there were 24,105 rural births and 8,914 rural deaths. Twenty years later, on January 1, 1940, when the rural population amounted to 918,410, the number of rural births stood at 13,438 and the deaths at 7,539. If the situation is stated in terms of percentages, we note that while the rural population fell off approximately 9.6 percent, the number of rural deaths fell off 15.4 percent, but the rural births diminished by 44.2 percent.

The large city changes take the form of expected increases in each case. The large city population, as noted above, increased from 285,539 in 1920 to 397,424 in 1940, or 39.1 percent. During that time the large city births increased from 6,806 in 1920 to 8,725 in 1940, or 28.2 percent. The large city deaths increased from 4,062 in 1920 to 5,053, or 24.4 percent.

In terms of crude rates (the number of births or deaths per 1,000 of estimated population) the rural birthrate dropped from 23.7 in 1920 to 14.6 in 1940, and the rural death rate dropped from 8.8 to 8.2. The large city birth rate decreased from 23.8 in 1920 to 21.9 in 1940, while the large city death rate declined from 14.2 in 1920 to 12.7 in 1940.

The decline in the number and rate of births in the case of the rural population is most strikingly significant; conversely, it is worthy of note that the large city birth rate fell off only slightly. The situation actually may not be quite as extreme as it seems to be. Births are recorded where they take place. It is quite possible that with the improvements in rural transportation a greater proportion of farm mothers went to city hospitals in 1940 than in 1920 to bear their babies. There is also a possibility that rural births have not been reported as carefully as those in the cities. But these factors, if they exist, only partially reduce the significance of the drop in the number of rural births.

The net reproduction rate (a rate of 100 is required to maintain a stationary population if birth and death rates remain unchanged) of Nebraska is still above that of the Nation as a whole. The net reproduction rate of the United States for the period 1935-39 was 96 as compared with 111 for 1925-29. For Nebraska as a whole the rate for the year 1940 was 101, and for 1930 it was 117. Nebraska's rate is above that of its region.⁶

OUT-MIGRATION

The preliminary estimate of the Sixteenth (1940) Census indicates that between 1930 and 1940 the number of persons migrating out of the west north central division exceeded the number of those migrating into the division by about 718,000.⁷ This estimate, as stated by the census report, is based on a comparison of the number of persons enumerated in the 1930 census who should have survived to 1940 under existing mortality rates and the number of persons 10 years old or over actually enumerated in the 1940 census. Since the actual population 10 years old or over was about 718,000 less than the number expected to survive from 1930 to 1940, the number of out-migrants during the decade must have exceeded the number of in-migrants by about that amount.

The phenomenon of out-migration, however, is not a new one in the region of the Great Plains. From 1920 to 1930, in five States, North Dakota, South Dakota, Nebraska, Kansas, and Montana, to the northwest, emigration definitely exceeded immigration. Throughout the history of western pioneering the older-settled regions have been sending population on to other sections. Kansas and Nebraska had ceased to attract migrants in large numbers even before 1900;

⁶ Taken from Net Reproduction Rates by Stages (preliminary): 1940, Sixteenth Census, Washington. Release of August 23, 1941. See also the Net Reproduction Rate, Bureau of the Census, release of May 9, 1941.

⁷ This division includes the States of Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, and Kansas. Data from Population Characteristics (preliminary), 1940. West North Central Division. Release of May 19, 1941.

actually during the decade of the nineties the people who left these two States outnumbered the new arrivals, although there was little resulting change of total populations, since the natural increase offset the loss.

Since 1900 the number of persons born in the Great Plains region and living elsewhere has been increasing steadily and was greater in 1930 (before the recent drought depression) than at any other time. The data for Nebraska are depicted below.

*Migration to and from Nebraska, 1900 to 1940*¹

	1900	1910	1920	1930	1940
Persons born in State and living elsewhere	145,280	244,232	331,472	453,156	Data not yet available.
Persons living in State and born elsewhere	424,616	414,056	402,676	375,937	

¹ The above statements and census compilations taken from C. Tauber and C. C. Taylor, the People of the Drought States, Works Progress Administration, Washington, 1937, pp. 39-41.

Since the appropriate data enabling one to portray accurately the out-migration from the State during the last decade are not yet at hand, the best one can do is make rough estimates on the basis of such data as are available. We do know that the State as a whole lost 62,129 in the last 10 years. We also know, as set forth in the preceding section, that the excess of births over deaths from January 1, 1931, to December 31, 1940, in the State was 108,327. In other words, if no other changes affecting numbers, such as in-migration or out-migration, had taken place, the population on January 1, 1941, should have been 108,327 greater than 10 years before. Those 108,327, however, had not been added to the State's total. In addition, the State's population was 62,129 less than it was in 1930. Therefore, when we accept the State's total loss of 62,129, and a total net increase of 108,327, it is likely that in the neighborhood of 170,000, or 12 to 13 percent of the population, left the State during the decade.

THE DECREASE IN NUMBER OF FARMS, THE INCREASE IN THE SIZE OF FARMS, AND THE DECREASE IN RURAL POPULATION

The decrease in the number of farms and the increase in the size of farms in recent decades for the State as a whole gives fairly clear-cut evidence of both out-migration and the great decline in farm population. In 1910, when 78.6 percent of the State's land area was in farms, there were 129,678 farm units; in 1940, with 96.5 percent of the land area in farms, the total number of farms had declined to 121,062. In 1930, with 91.0 percent of the area in farms, they numbered 129,458. In the decade 1930-40 the farms in the State decreased 6.5 percent in number. In 1910 the average size of farm was 297.8 acres; in 1920, 339.4 acres; in 1930, 345.4 acres; and in 1940, 391.1 acres.⁸

The census figures show a decline in the number of farms of all classes under 500 acres for the State between 1930 and 1940, except those 3 to 19 acres, and an increase in the number of farms over 500 acres.

TABLE 7.—Number of farms by size, 1940 and 1930

	1940	1930		1940	1930
Under 3 acres.....	353	505	100 to 499 acres.....	83,767	92,876
3 to 9 acres.....	3,947	3,235	500 to 999 acres.....	10,570	10,260
10 to 19 acres.....	2,440	2,299	1,000 to 4,999 acres.....	5,969	5,467
20 to 49 acres.....	3,953	4,191	5,000 acres and over.....	728	507
50 to 99 acres.....	9,308	10,118			

Three interesting facts stand out in these figures: (1) The recent increase in the number of farms below 20 acres in size; (2) the increase in the number of

⁸ Federal Census Reports on Farms and Ranches, by Size, Sixteenth Census. Release of April 4, 1941. The trend toward a decrease in the number of farms seems to be Nation-wide. For the country as a whole the number of farms decreased 3.1 percent during the period 1930-40, despite the great but apparently temporary increase in "subsistence" farms during the first half of the decade.

farms of 500 acres or more; and (3) the marked decrease in the number of farms of intermediate size.

Changes, more or less independent of either World War I, depression, or drought have also been operating either to drive people off the farms or reduce the number both on farms and in the State. One very important factor which began to be effective before World War I, but which has become especially significant in the last decade, is the increasing mechanization of farms. Technological changes in agriculture have almost kept pace with those in industry in many parts of the country. This increased mechanization has eliminated the need for large numbers of laborers, both members of the family and paid workers. By purchasing a tractor and the power equipment that goes with it, the farmer not only is able to get along with fewer laborers, but is able to work a larger farm.

Findings of a study made recently by the Bureau of Agricultural Economics and a graduate student in the Department of Sociology are revealing.⁹ Clay County, the county which lost 23 percent of its population during the decade 1930-40, was the subject of the study. In this county it was found that larger and larger acreage seemed to be necessary for profitable farming. No one left Clay County because his place of living had become uninhabitable. No land was left vacant, very little was permitted to go back to pasture. A great increase in mechanized farms occurred, some being without either horses or cattle. In some cases a man owning two contiguous farms asked his tenant to leave, tore down the second set of improvements, and worked all of the land himself with a tractor, putting much of the additional acreage into cash grain crops. According to a Future Farmer Survey made in the county, while the number of horses was decreasing 55 percent, the number of tractors was increasing 92 percent; 11.7 percent of the farms represented did not report a single horse. Of 43 sample farms, 60 percent had tractors and 23.2 percent had both tractors and trucks. The farmers stated that they bought tractors for two reasons: First, because they thought they needed them; if they wished to work 40, 80, or 120 acres more, they had either to employ a farm laborer and buy another team, or to purchase a tractor. Second, they wanted to lighten their own labor, shorten their day, and reduce their chores.

In the county the farms have been gradually increasing in size. From 1920 to 1930 the total number of farms decreased from 1,791 to 1,782, despite the increase of 8,063 acres (over 12½ square miles) in total farm land during the period. From 1930 to 1935 the farms of 100 to 259 acres decreased 7 percent, while those from 260 to 499 acres increased 4 percent, and those from 500 to 999 acres increased 33 percent.¹⁰ The special study shows, moreover, that the greatest increase in the size of farms came in 1935 to 1940.

In general, in Clay County the extensiveness of a farmer's acres serves as a fairly accurate index of his prosperity and security relative to other farmers in the survey area. A special study was made of Sheridan Township of Clay County. During the survey period, 1930-40, only 1 farm over 240 acres was left by a migrant, and that was a 640-acre farm worked jointly by 4 mature men, and might have been considered as four 160-acre farms. During the same period there was a 115-percent turn-over on 160-acre farms. According to the county tax assessor's records, there were 148 tracts of land in Sheridan Township in 1935; only 4 years later this had been reduced to 132.

NEBRASKA SHIFTS IN AGE GROUPS

During the settlement period of Nebraska, ending in 1890, the State's population was predominantly young. Since then the national trends have begun to be definitely perceptible in this State. The last decade shows some trends even more abnormal than the national trend, as may be noted from table 8.

⁹ John H. Burma, Jr., A Study of Migration from a Nebraska County During the Drought Depression. Unpublished manuscript. Lincoln, 1941. Prepared under the supervision of the present writer.

¹⁰ Agriculture, Bureau of the Census of: Fifteenth Census, 1930, vol. III, U. S. Census of Agriculture, 1935, vol. II, pp. 357-370.

TABLE 8.—*Nebraska population by age groups, 1870-1940*¹

Age group	1870	1880	1890	1900	1910	1920	1930	1940
Under 5.....	19,508	72,156	147,970	133,747	140,096	143,240	130,337	104,302
Percent.....	5.9	16.1	14.0	12.5	11.8	11.0	9.5	7.9
5 to 19.....	38,790	153,031	362,272	364,818	374,386	391,740	409,926	353,361
Percent.....	31.6	34.0	31.4	34.8	31.4	30.2	29.8	26.8
20 to 44.....	52,472	175,758	411,068	393,436	452,935	495,979	514,426	476,092
Percent.....	44.3	38.6	38.7	36.9	38.0	38.2	37.3	36.2
45 to 64.....	10,103	43,964	112,771	107,883	172,057	200,346	236,330	275,816
Percent.....	8.2	9.6	10.7	13.0	14.4	15.4	17.2	21.0
65 and over.....	1,350	7,493	23,294	34,754	50,771	64,341	86,194	106,263
Percent.....	1.1	1.7	2.2	3.2	4.3	4.9	6.3	8.1

¹ Compiled from Nebraska's Population, Nebraska State Planning Board, Lincoln, 1937, pp. 36-37. Population Characteristics: 1940, West North Central Division, Sixteenth Census, Release of May 19, 1941, pp. 6; Number and Proportion of Persons 65 Years Old and Over (Preliminary), 1940. The United States by States, Sixteenth Census, Release of Apr. 23, 1941.

It will be noted that as recently as 1900, the children under 5 constituted 12.5 percent of the State's population; in 1940 they amounted to only 7.9 percent. In actual numbers, they diminished from 143,240 in 1920 to 104,302 in 1940. In 1900 those 5 to 19 years of age amounted to 34.8 percent of the population; in 1940 they were only 26.8 percent. From 1920 to 1940 they declined in number from 391,740 to 353,361. Those in the age group 20 to 44 have not fluctuated widely either in percentage or number since 1890. But those 45 to 65 have been consistently gaining both in actual numbers and in percentage of the population. In 1900 they were 13.0 percent of the population; in 1940, 21.0 percent. In 1920, they numbered 200,346; in 1940, 275,816. In 1900, those 65 and over were 3.2 percent of the population; in 1930, 6.3 percent; in 1940, 8.1 percent—considerably above the national figure. In 1920, they numbered 64,341; in 1930, 86,194; in 1940, 106,263.

In 1940 there were 54,172 males in Nebraska 65 years of age and over as against 46,206 in 1930; 52,091 females in 1940 compared with 39,928 in 1930.¹¹

While the 1940 figures are not yet available, the 1930 figures show the distribution of the age groups among the urban, rural farm, and rural nonfarm population of the State.

TABLE 9.—*Nebraska age distribution—urban and rural, 1930*¹

	State	Urban	Rural farm	Rural nonfarm
Under 5.....	9.5	8.2	11.0	8.6
5 to 19.....	29.7	26.2	34.2	27.2
20 to 44.....	37.3	40.6	36.0	34.6
45 to 64.....	17.2	18.4	15.2	19.2
65 and over.....	6.3	6.6	3.6	10.4

¹ Compiled from Nebraska's Population, State Planning Board, Lincoln, 1937, p. 43.

Here it will be seen definitely that the farms have the highest percentage of children and adolescents, while the cities have the smallest percentage. The cities lead in people in the middle years of life, while the small towns have the fewest. But the rural nonfarm areas have the highest percentage in both the 45-to-64 group and of those 65 or over.

If we examine only those under 15 years of age, we find that for the State as a whole in 1930, 29.7 percent of the population fell in that age group. This age group constitutes only 25.6 percent of the urban population, and 27 percent of the hamlet and village population; but it was 34.4 percent of the rural farm population.

Several conclusions are obvious. First, the rural farm districts produce a larger crop of children than either the villages or cities. The farms have 45 percent of their population under 20 years of age, the villages 35.8 percent, and the

¹¹ Population, 65 years old and over, by sex, by division, and States, 1940 and 1930. Sixteenth Census, Washington, release of April 23, 1941.

cities 34.3 percent. By the time some of these young folks born on farms reach their twenties they have left for the cities or have migrated out of the State. In general, the migrants leaving the farms for the cities or other States are comparatively young. O. E. Baker found in a study of rural youth that "These migrants from the farms to the cities and villages were mostly young people. About a third were under 15 years of age, more than a third were 15 to 25 years of age, and nearly a tenth were 25 to 35 years old."¹²

Other recent studies show that the greater proportion of the economic heads of migrant families are in their twenties and thirties, and over half of the families have young children.¹³

Second, the rapid aging of the population is due partly to the decline in birth-rates which is being felt in Nebraska, as in the whole country. As the present generations grow older, there are fewer children to take their place. Furthermore, since emigration consists of younger persons, it tends to increase the proportion of aged persons in the population remaining in the area.

The third fact which stands out clearly is that the old folks leave the farm to the management of their children, and retire in greater proportion to nearby villages and towns; to a lesser extent, they go to the cities. In Nebraska both the cities and towns have a proportion of old folks greater than for the State as a whole. The movement of the old people from the farm is indicated in the figures. Whereas 23.5 percent of the population of the State as a whole is 45 or over, only 18.7 percent of the farm population is in this category. On the other hand, 24.9 percent of the city population and 29.6 percent of the village and town population is 45 or over.

These trends have important economic implications. There is the likelihood of fewer customers in the future. Quite immediately there will be a shrinking demand for commodities consumed by children and young people such as food, shoes, clothing, many forms of family equipment, school buildings, and equipment. On the other hand there will be a somewhat increased demand for articles used by the aged—armchairs, electric warming pads, false teeth and other artificial supplements, and so on. An aging population also means an increasing death rate, and the consequent business and other effects of this.

The trend also involves an aging labor supply. This means the development of economically useful occupations and industrial practices that will utilize the labor of persons above 45 to a much greater extent than the persons in the upper age group are now being used. This implies the modification or development of adult education and other measures for enhancing the usefulness and increasing the joys of living for an aging population.

One may speculate regarding some of the general psychological consequences of the aging of the population. Since it is rather generally agreed that conservatism increases after middle life, can it be expected that the United States, and Nebraska, will become more conservative as the proportion of elders in the population increases? As they become more numerous will they also have the greatest influence in public opinion and in the determination of policies and procedures in the field of law, government, religious institutions, education, industry, commerce, and finance? Will political parties, legislative bodies, official boards, boards of education and regents, boards of directors, and so on, be dominated more by the traditional attitudes of oldsters? Has the vaunted progressivism of American business, government, and education in the past arisen from the youth of the persons in control? The next half century may be a time when the western world needs audacity as well as insight and constructiveness. Do the oldsters grasp the full significance of the stupendous changes which have been and are taking place? Will adult education, if it comes, have any appreciable effort in reducing the conservatism and stagnation of the aged?

SCHOOL-AGE POPULATION AND SCHOOL ENROLLMENT

Changes in the school-age population and school enrollment reflect several of the population changes that have been occurring in the State in the last two decades; notably, the general decline in the population, the diminishing birth rate and the consequent shrinkage of the population in the lower age groups of

¹² O. E. Baker, *The Outlook for Rural Youth*, Extension Service Circular, U. S. Department of Agriculture, Washington, 1935, p. 4.

¹³ J. N. Webb, *The Migratory Casual Worker*, Research Monograph, VII, Washington, Works Progress Administration, 1937; J. N. Webb and M. Brown, *Migrant Families*, Research Monograph XVIII, Washington, Works Progress Administration, 1938; Carey McWilliams, *Factories in the Field*, Boston, Little-Brown, 1939.

the population pyramid, and the decline in rural population. An examination of these data serves in a measure both as a partial summary of and check upon the changes involved; hence it is included as the final factual presentation of this study.

A most revealing type of break-down of figures was begun for the year, 1925-26, by the office of the superintendent of public instruction, and has continued to the present time, offering a consistent and consecutive record.

TABLE 10.—*Number of children of school age and classified public school enrollment for the years 1925-26 to 1939-40*¹

School year	Number of children	Total enrollment	City and villages (grades)	Rural school (1 teacher)	Total public high school, accredited and non-accredited
1925-26	415,053	327,472	144,950	122,416	60,106
1926-27	414,975	317,221	136,864	118,900	61,457
1927-28	418,747	326,271	151,366	109,824	65,081
1928-29	416,644	325,204	151,889	106,767	66,548
1929-30	423,602	325,216	152,813	103,471	68,932
1930-31	419,848	324,874	152,711	102,125	70,088
1931-32	420,132	324,421	150,447	100,539	73,255
1932-33	419,401	321,468	147,484	98,701	75,283
1933-34	417,479	316,756	146,941	94,862	74,953
1934-35	415,834	312,355	145,975	90,103	76,277
1935-36	405,508	307,975	143,856	85,567	78,552
1936-37	395,354	300,041	136,611	80,409	83,021
1937-38	382,601	289,916	131,086	75,693	83,137
1938-39	376,909	282,102	126,130	71,492	84,480
1939-40	369,154	276,188	123,677	68,233	84,278

¹ Compiled from Thirty-first Biennial Report of the State Superintendent of Public Instruction to the Governor (1931), pp. 258-264; Thirty-third Biennial Report (1935), pp. 286-391; Thirty-fifth Biennial Report (1939), pp. 35-41; Thirty-sixth Biennial Report (1941), pp. 53-59.

The above figures do not include those for the parochial schools of the State. But, since in 1939-40 the parochial high schools had an enrollment of only 4,113 and the parochial grade schools had only 19,729 pupils, it can be seen that they would not greatly affect the general trends indicated. Moreover, there is no reason for believing that the trends of parochial-school enrollments are drastically different from those of the public schools.

Several striking confirmatory facts stand out in table 10. First to be noted is the decline in the number of children of school age (5 to 21 years of age) from 415,053 in the school census of the year 1925-26 to 369,154 for the year 1939-40, a decline of 45,899, or 11.0 percent. From the peak year of 1929-30, when the population of school age amounted to 423,602, the decline has been 54,448, or 12.8 percent. During the 15-year period the actual total public-school enrollment dropped off from 327,472 to 276,188, or 15.6 percent.

A second pertinent set of facts relates to the differences between the trends in the grade-school (city and village and one-teacher rural schools) enrollments on the one hand and those of all high schools on the other. In Nebraska, during the 15-year period beginning with 1925-26, the total grade-school enrollments, consisting mostly of those born after 1921 when the National and State decline in births set in, diminished from 267,366 to 191,910, or 28.2 percent. The high-school enrollment, consisting mainly of those born before 1921, increased from 60,106 to 84,278, or 40.2 percent. The decline in grade-school enrollment reflects the decline both in general population and in the number of births. The increase in high-school enrollments during the period under consideration reflects, not population conditions, but the increasing vocational and cultural significance of high-school attendance. Assuming, however, that there will be no considerable appreciation of the latter factors in the near future, a persistent falling off of high-school enrollments can be expected to occur from now on, it now being 20 years after the peak years of birth. The enrollments of several of the larger cities of the State show that this trend has already set in.

The variation in the decline of city and village as contrasted with one-teacher rural schools illuminates another set of facts. It will be remembered that during the 15 years represented in the enrollment figures given above, the cities of the State increased in population, though at a diminishing rate; the villages in

the main held their own; but the population of the rural areas decreased very rapidly. The school figures bear this out. While the city and village grade-school enrollments were falling from 144,950 to 123,677, or 14.6 percent (the general birth rate for the State fell 21.1 percent during this period, 1925-40), the one-teacher rural-school enrollments—distinctive rural reflector of conditions—was reduced from 122,416 to 68,233, or 44.2 percent. Here we have another bit of concrete evidence of the effect upon rural population of the drought-depression, the mechanization of farms, the increase in the average size of farms, the greatly reduced birth rate of the rural population, and of the out-migration, which we noticed has been mainly from the rural areas, plus the tendency toward consolidation of rural schools.

THE FUTURE OF NEBRASKA POPULATION

Can Nebraska's population trends be reversed? Certain important questions arise. Can further reductions in the State's population be halted? Can out-migration be checked? Can the rural population trends be reversed? Can Nebraska population be stabilized? Might population increases be restored? Might an in-migration of permanent residents be brought about?

The answers to these questions involve physical, social, psychological, political, and economic factors, though economic considerations are of primary importance. First of all, people must be in a position to enjoy a reasonable degree of economic well-being and security for themselves and their families. They stay when they can make a fair living, or when no appreciably better living seems to be available elsewhere, all things considered. They move out of a State or region when better economic conditions or a higher standard of living seem more likely elsewhere. They move in when these conditions are more favorable than elsewhere.¹⁴

Social conditions, climate and the physical features, local attitudes toward political rights and civil and religious liberties, recreational and educational opportunities, patriotism, and sentimental attachments, lethargy, and so on, may partly offset the importance of the economic factors in determining the decision of persons to stay or leave. But they seldom nullify them. The economic opportunities in Nebraska apparently have not been rated as favorably as those out-of-State by the thousands of migrants who have left the State.

To be sure, population conditions the country over are stabilizing. This will have its effects on Nebraska also. But economic variations will continue to exist, State by State and region by region.

Therefore, in reply to the questions raised above, the following further challenging questions must be posed: Can Nebraska agriculture be made more labor-absorbing and wealth-producing? Can the existing industries be expanded and new industries be developed? Can the number of dollars to be had in the rural and urban areas of the State be increased? Can the standard of living of the population be raised?

If we can find cogent answers to these questions, there is a definite likelihood of halting out-migration, of stabilizing the population, and even of producing an in-migration of permanent residents. A few ideas along this line will be offered below, no so much as solutions or even as recommended blueprints for action, but rather as stimuli to a type of necessary thinking and planning. The successive studies of this series will continue this question.

Irrigation.—The development of irrigation offers possibilities of holding in the State at agricultural tasks a portion of the agricultural population which has been or will be converted into surplus population by the mechanization of farms and the consequent increase in size of and reduction in number of farms, and the return to range use of some land which has been cultivated. From the limited information available, one can assume that irrigation does not reduce the size of the farms in the area irrigated. The average farm in Scottsbluff County in 1930 was 211.2 acres. In 1940 after a decade of rapid development of irrigation the average farm comprised 246.3 acres. On the basis of this slender evidence irrigation in an area thus would not seem to multiply the number of farms available.¹⁵ Its effect rather seems to be to diversify and intensify the types of agriculture carried on. Such agriculture

¹⁴ Cf. *Population Trends in Minnesota and What They Mean*. St. Paul, Minn., Institute of Governmental Research, 1938, pp. 23-24; R. W. Roskelley, *Population Trends in Colorado*, Fort Collins, Colo., Agricultural Experiment Station, 1940, p. 2.

¹⁵ As a possible qualification, Dr. Arthur Anderson, land use specialist, College of Agriculture, University of Nebraska, states: "Since confusion exists relative to the size of farms in irrigated areas. In total there are many more farms in irrigated areas than would be possible without irrigation, although irrigated farms in themselves may be increasing somewhat in size."

of necessity requires much more labor. Hence such an area, as is apparently demonstrated in the case of Scottsbluff County (with an increase of some 13,000 during the last 20 years), will absorb many persons pushed out elsewhere. In fact in the next decade, with the rapid development of irrigation-power projects we will likely see a considerable resettlement of rural population elements in the newly developed irrigated areas. Urban population elements will also be drawn into such areas though probably in lesser degree. This will forestall or prevent a considerable amount of out-migration. There will be some rearrangement of population, but the people will remain in the State.

Manufactures.—Since there are definite limits to the number of persons that might be employed in rendering typically urban "services" to the people of the State, and since there are limits to the absorption of population by multiplying the irrigated areas of the State, though neither of these are anywhere near their peaks, the question arises regarding the possibility of increasing the amount of manufacturing carried on in the State. Manufacturing, it is obvious, is labor absorbing, and hence would be an important aid to population retention.

Industry now is rather highly concentrated. It is believed by many that the tendency of the near future will be toward decentralization. Industry will be more widely and more evenly distributed over the country with corresponding effects on the distribution of population. Some even look toward a sort of ruralization of manufactures, with many smaller industrial plants located in the towns and villages.¹⁶ The increasing availability of cheap electricity due to the development of public power and almost State-wide rural electrification makes both trends a distinct possibility in Nebraska.

There are various feasible forms of manufacturing that might be developed in our State. Especially significant is the processing of various agricultural products which now are sent out of the State as raw materials or after having undergone only the first stage of processing. By processing, the bulk of the products would be considerably reduced in most cases—an important factor from the point of view of transportation costs—and their dollar value immeasurably increased. There would be a much greater dollar flow into the State, and wages would be paid to people, and spent here by people, who might otherwise leave the State. Various possibilities come to mind.

Most poultry leaves the State dressed and chilled. Each chicken thus sent out brings into the State perhaps 60 cents. But if it were cooked and canned, ready to be served cold or with some heating it would bring into the State \$1.50 and absorb twice as much labor in preparing it for the market. A dressed turkey brings into the State \$2.75 but if it were converted into a cooked and canned turkey it would mean \$5, and if prepared as smoked turkey, for which a market is rapidly developing in the East, it would be worth \$7.50.¹⁷ Hogs instead of leaving the State as freshly dressed or smoked meat, could be sent out as canned hams, and as specially trade-marked sausage, in the latter case using some special skills present but fast disappearing from some of the German and Czech communities of the State. Instead of having corn shipped from the State entirely in bulk or in the form of fattened livestock, some of it, in view of the cheap power now available, might leave as table oil, corn sugar or sirup, breakfast foods, grain alcohol, and chemurgies of various kinds. In view of the increased consumption of vitamin-carrying vegetables, the irrigated areas could develop diversified truck gardening, instead of holding so largely to grains, potatoes, and sugar beets. Canning factories could then produce canned goods for the State market as well as the out-of-State market, and transport the articles by truck. The shelves of Nebraska grocers might be stocked with Nebraska produced tomato juice instead of that from Colorado or sauerkraut juice from Nebraska instead of Minnesota. By developing markets why should not the same be true of Nebraska grains, sugar, livestock, poultry, vegetables, soybeans, and so on? Nebraskans seem to assume that the State is fitted only for extractive industry. There is no element of inescapable determinism that forces this conclusion upon us. Labor-consuming processing industries are also possible

¹⁶ Cf. *The Problems of a Changing Population*, National Resources Commission, Washington, 1938, p. 71.

¹⁷ Prof. F. E. Mueschl, of the department of poultry husbandry, University of Nebraska, is of the opinion that smoked turkey is a fad, and hence of transitory market significance.

with abundant raw materials, a waiting labor supply, plenty of available home capital, and Government-subsidized power directly at hand. What seems to be surplus population may merely be an unused population.

"In our hands."—Progressively minded Nebraskans face the future with hope and courage. They do not believe that any great proportion of their problems, including those related to population, will be solved by an "act of God," or some accidental combination of favorable circumstances, or by merely wishful thinking and fond hoping. They know that these problems require calm and objective analysis, careful planning, and the persistent discovery and ingenious utilization of the many human and material resources—the "acres of diamonds"—at hand.

DEFENSE LOSS SURVEY

[Data supplied by Associated Industries of Nebraska]

(Fifty-three Nebraska towns were surveyed by questionnaire. The tabulation following shows data for 16 towns reporting to date:)

Defense loss survey, city of	Arlington	Albion	Beatrice	Chadron	Cozad	Columbus	Fairbury	Fremont	Grand Island	Lincoln	Oakland	Ord	Ravenna	Schuyler	Scotts Bluff	Tekamah	Total
Number of firms doing defense work.....	0	0	2	0	0	0	0	0	0	25	0	0	0	0	1 or 2	0	29
Number of firms able to do defense work.....	0	0	6	6	0	3	7	6	6	10	0	0	2	0	(?)	0	46
Number of firms that cannot do defense work.....			19	(?)	0	4		20							(?)		43
Has your community suffered population loss?.....	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Estimated total.....	50	2M in C.o.	1,250	150	200	350	200	600 to 700	1,500	Net 500	35	100	100	100		50	7,235
Number of skilled workers lost.....	5	Apr. 80	250	25	50	150	170	150 to 200	150 to 300	300			5	40		5	1,405
Number of young people lost.....	40	200	725	75	100	150	125	400 to 500	300	200	25		40	30		35	2,445
Estimated loss of employees of manufacturing firms.....		10	150	15	25	25	38	75		25			0			0	363
How many skilled?.....		6	34	25	10	(1)	38	25		15			0				153
How many semiskilled?.....		4	31	70	8	(1)				10							120
How many unskilled?.....			75	50	10	(1)											135

1 All of the above 25 were "skilled" or "unskilled."

FARM LABOR IN NEBRASKA AND OUTLOOK FOR 1942

REPORT OF W. H. ANDRESEN, ACTING SUPERVISOR, NEBRASKA FARM-PLACEMENT SERVICE

Due to drought conditions in the State of Nebraska from 1933 to 1940 inclusive, we have not had much opportunity to estimate the amount of labor needed in a so-called normal year, such as 1941.

At the beginning of the year 1941, after conducting sample surveys through the Nebraska State Employment Service, the Farm Security Administration, the Agricultural Extension Service, and the Agricultural Marketing Service, we felt that the supply of labor would be adequate to harvest our crop in 1941.

There were reports from various sections of the State of a distinct shortage of labor, but upon checking in those areas, we discovered the shortage was caused by the fact that the farmers did not want to pay the going wage rather than by the fact that the men were not available.

The first crop harvested in 1941 was the potato crop in Buffalo County, and while there was no surplus of workers, the Employment Service was able to supply a sufficient number so that the entire crop was harvested without loss.

The wheat harvest in the eastern third of the State was handled without much difficulty because of the facts that fields are small and numerous small combines are used.

The central section of Nebraska has not had a crop for 8 years, but this year had a tremendous acreage of barley. Everyone was concerned over the supply of harvest hands, but that crop was handled without loss.

The wheat-growing area in the southwestern section of Nebraska had an exceptionally good crop this year and we anticipated the need of considerable transient laborers. The Nebraska State Employment Service, through the clearance division, arranged with offices of the Kansas State Employment Service in the central and west sections of that State to direct laborers to our offices located in that particular area of Nebraska. We believe that there were more typical harvest hands on the move in that section at that time than there has been in the past 7 or 8 years. As a matter of fact, we had an oversupply in some sections, and those men were, in turn, directed to jobs in South and North Dakota. Some of these men were from Texas, a considerable number from Arkansas, Oklahoma, and Kansas. There were also more men with commercial combines than has been the case for several years.

The number of placements made by the Nebraska State Employment Service from January to October 1941 was 3,778, compared to 2,625 for the same period in 1940. The actual placements recorded do not reflect the entire activity, as our employment offices serve counties other than the ones in which they are located. Where there is no employment office in a county, usually the county agent acts as volunteer representative for the farm placement division. A lot of farm or harvest hands are referred by these agents and no record kept of the referral. Therefore, the employment service does not take the credit.

The average wage paid for harvest hands this year was about \$4 per day plus board and room. The average for the year-round worker is very close to \$35 per month, compared to \$25 per month in 1940. Farm couples as a rule were offered \$50 per month, a separate house in which to live, garden space, milk, and probably a few chickens. This is also approximately \$10 higher per month than in 1940 and previous years.

At the present time the corn crop is being harvested and we are receiving complaints of shortages of corn shuckers. Some of our employment offices have orders which they have not been able to fill. However, due to the fact that corn can be harvested over a 2- or 3-month period, we do not anticipate an acute shortage so that any of the crop will be lost.

Since about the 1st of September 1941 the employment service has been recruiting laborers for the Lockheed Aircraft Corporation at Burbank, Calif., and up to the present time close to 700 young men have been referred. The greater share of this number were farm boys. On top of this migration, others have left Nebraska for either the East or West coasts on their own hook and most of them have found jobs and have not returned to Nebraska. If the present rate of migration to defense industries continues, it seems to be the consensus of opinion of those who have been working with the farm-labor problem, we will have a distinct shortage next year. This will be particularly true if our crop acreages are increased, as has been suggested, unless

we use one source of farm-labor supply which has not been tapped—that of the married men with families who would take farm work if adequate housing facilities were provided. This group is available now and will be next year.

There has been a trend the last few years toward increased mechanization which does materially cut down the need for farm labor. In discussing this situation with farmers throughout different sections of the State, they have intimated they would attempt to buy harvesting machinery which would allow them to get their own crops out without hiring additional farm labor.

The Farm Labor Subcommittee, composed of representatives of the Farm Security Administration, Extension Service, A. A. A., Bureau of Agricultural Economics, and Farm Placement Service, is now conducting a sample survey in Perkins County, Nebr., to attempt to determine the available supply of farm labor and the demand which may appear in 1942. If the results of this sample survey gives us detailed information we expect to conduct the same type of survey in every county in the State.

Before the 1942 harvest season arrives, the Glenn L. Martin Co. will have opened their plant in Omaha and will have taken quite a number of our farm boys; and the proposed bombshell-loading plant at Wahoo, Nebr., will be under construction, which will probably take a considerable number more.

In summing up this report we believe if we have a sufficient number of defense contracts here in Nebraska our labor supply will not migrate to other States and a great number of boys who have left the State already, will return; and that if adequate housing facilities are made available for men with families on farms, there will be no acute shortage of farm labor in Nebraska in 1942.

FORCED AND VOLUNTARY MIGRATION IN NEBRASKA

PREPARED BY ARTHUR ANDERSON, BUREAU OF AGRICULTURAL ECONOMICS, UNITED STATES
DEPARTMENT OF AGRICULTURE, V. H. PETERSON, AND GEORGE E. HENDRIX, AGRICULTURAL
EXTENSION SERVICE

"In order to obtain representative opinion on farm migration, the following questionnaire was submitted to the farm men and women members of the Nebraska Agricultural Advisory Council by the chairman and secretary. Practically all questionnaires were completed and returned. In reporting the answers received, a general statement expressing the concensus of opinion regarding each question is made, followed by direct quotations from the statements submitted by the members.

EFFECT OF WAR AND DEFENSE PROGRAM ON FARM MIGRATION

Name----- County-----
(Use reverse side if needed)

During the drought and depression many Nebraska farm families, because of depleted resources, discouragement, and other causes, were forced to leave the State to seek opportunities elsewhere, but in many instances did not improve their situation. The following questions are asked to determine the present or probable effects that the war, defense program, better crops, and better prices are having on this problem in your locality.

- I. Is this type of forced migration continuing? (Give extent of displacement, factors causing people to leave, age, qualifications, resources, and other characteristics of such operators, their ability to secure jobs locally, where they are going, and other information.)
- II. To what extent are farm families or members of farm families leaving farms voluntarily? (Give same type of information as for above question.)
- III. What effect has this migration had upon farm families remaining in the community? (Family labor, ability to get satisfactory hired labor, size of farms, use of machinery, and other.)
- IV. What is your opinion of the possibility or desirability of these people or equivalent numbers returning to your community as farmers when the war and defense program has ended?

I. FORCED MIGRATION

Forced migration has been, during the past several years, a very serious problem in the major portion of the State. Apparently it was less pronounced or even absent in the sandhills and in the extreme eastern part of the State. The drought and its attendant difficulties were the most important, and in most instances the sole cause of migration. This type of migration, however, has slackened off and is now practically nonexistent throughout the State.

George Beitel: "The forced migration is not continuing in the same way as it has been during the past several years * * *"

Mrs. L. W. Harse: "There is no forced migration of operators in the range area at present."

C. S. Reece: "In my section of Cherry County (sandhills) there has been very little change. In the farming section quite a number of families have gone away * * *"

Dan Rush: "This type of forced migration never existed to any great extent in this locality * * *"

II. VOLUNTARY MIGRATION

Many people are leaving the farm to go into defense industries. This includes very few farm operators, but is made up almost entirely of young unmarried people, largely boys. Few local jobs are available and those are at a salary considerably lower than offered in defense plants. Because of the high cost of living in congested defense areas, the real wages received in terms of goods and services are not high. This is especially true of men with families. Consequently a few defense workers have already returned and others have expressed a desire to return if an opportunity exists.

George Beitel: " * * * Because there are so few local jobs the younger people are being drawn into the cities, usually out of the State, and for the time being into the defense plants."

Mrs. Paul G. Jones: "Almost all the young men of the community have left. Some have been drafted, enlisted, a great many to California to work in defense industries, and a very great many to Washington, D. C., to work * * *"

Cassius Kennedy: "There are a good many young men and women from 18 to 25 years entering other lines of work because the higher salaries are attractive to them. In the main, it is the better type of young people leaving the farm."

Mrs. Hubert Skucius: "The temptation of high wages in the West is taking some of our farmers. One good farmer left this fall, has a good job now, but only making a good living. He's coming back in the spring. His farm is being held for him by relatives. Another farmer sold out everything * * * and went West. He wants to come back if he can find a farm to rent."

III. EFFECT OF MIGRATION ON THE FARM FAMILIES REMAINING

This migration, whether forced or voluntary, has resulted in a sharp increase in size of farm during the past decade. Along with increased operations has come more and larger machinery in many instances and a greater dependence upon hired labor in some instances. The results of the defense effort have been added to this situation culminating in an even greater reliance upon machinery owing to the reduced labor supply. Some difficulty is being experienced in obtaining satisfactory hired labor at reasonable rates. There has not been, however, a general shortage of farm labor, but such a condition has existed in some instances. A greater utilization of family labor has become necessary on many of the farms. Sufficient time has not elapsed to enable an accurate measurement of farm operations, but there is some indication that they will be reduced next year.

Ray Hall: "Greatly curtailed labor has made satisfactory labor very hard to get. More machinery and farms increased in size, but I believe there will be a slight reduction in operations next year."

Cassius Kennedy: " * * * The right sort (of hired labor) is hard to find. More tractors are being used * * *"

Mrs. Howard Mercer: "Women doing farm work. All members doing more. May cut farm operations as the machinery that might take up the slack is unobtainable * * *"

Charles Scott: "It has made it harder to get farm labor, caused the use of machinery to replace this labor, and demanded that more of the farming program be built around the permanent family labor available."

IV. OPINION REGARDING RETURN OF FARMERS FOLLOWING THE WAR AND THE DEFENSE PROGRAM

It is doubtful if the rural people who have gone into defense industries will desire to return as farmers. Likewise, there is considerable doubt as to whether it would be possible and desirable to have them return. In many instances, it would not be feasible to subdivide the larger farms resulting from the absorption of the vacated land. A possible exception to this is the farm that has grown excessively large. A few sections of the State may be able to provide a livelihood for additional farmers following the defense effort. Many of the defense workers will not want to settle on farms nor will they make the best farmers or hired help.

George Beitel: "I believe that it will be impossible and undesirable for more than a few to return as farmers * * *."

Mrs. Paul Jones: "After these people have had jobs in town, they won't want to return to the farm. And after farmers have invested money in machinery they won't want to hire men * * *."

Mrs. Howard Mercer: "There will be dissatisfaction after high industrial and defense wages—to return to less glamorous living. In spite of the fact that living could be as good * * *."

Dan H. Rush: "If the average farm is forced to rely on machinery to carry on I wonder if there ever will be a place for this army of defense workers when they come back to the land as they always do. * * * Perhaps conditions will be so bad, modern farm methods will go out the back door."

Farmer members, Nebraska Agricultural Advisory Council submitting statements: George Beitel, Franklin County; Ray E. Hall, Boone County; Mrs. L. W. Harse, Cherry County; Mrs. Paul G. Jones, Washington County; Cassius Kennedy, Nemaha County; Mrs. Howard Mercer, Buffalo County; C. S. Reece, Cherry County; Dan H. Rush, Dakota County; Charles H. Scott, Scotts Bluff County; Mrs. Hubert Skucius, Thayer County.

THE ANNUAL FARM AND RANCH SURVEY IN NEBRASKA, WITH PARTICULAR EMPHASIS ON FARM MIGRATION

BY W. H. BROKAW, DIRECTOR, NEBRASKA AGRICULTURAL EXTENSION SERVICE

During the last week in August 1941, a request was mailed to the agricultural extension agents and chairmen of county agricultural planning committees in Nebraska for information on the annual farm and ranch tenure survey. This survey was conducted in cooperation with the Bureau of Agricultural Economics and the Extension Service of the United States Department of Agriculture.

Three questions in this survey deal rather directly with the migration problem. They are: (1) How many farms in your county have been lost since July 1940 by combination with other farms or by not being farmed this year? (2) How many new farms have been created since July 1940 in your county? (3) Of those families who were tenants last year, how many were unable to find a farm to rent this year? Replies were received from 84 counties in the State. Because of the nature of this survey, these figures can only be considered as estimates. In most instances, however, they were made by men well acquainted with the farm conditions in the counties involved.

It was estimated for the 84 counties that 1,700 farms were lost in combination with other farms, and 243 new or idle farms were brought into production. It was also estimated for these same counties that approximately 943 farm tenants were unable to secure farms. These were men who were operating farms in 1940 and desired to continue in 1941. The difference between the first two figures gives a net loss of 1,457 farms. The difference between the 1,457 farms lost and the 943 tenants unable to secure farms can no doubt be accounted for by voluntary retirement from agriculture.

The estimates given indicate that in spite of somewhat better crop conditions in 1940, the forced migration off the farm is continuing, although not as rapidly as during the period from January 1, 1935, to April 1, 1940, when the State lost 12,554 farms, according to the United States census.

The survey indicated also that the loss since July 1940 occurred primarily in the more favored sections of the State, where crop conditions were compara-

tively good. For example, 9 counties in southeast Nebraska showed the greatest number of tenants unable to secure farms, or 272 tenants, which is almost one-third of the entire State loss.

Central Nebraska, where the forced migration prior to 1940 had been highest because of the prolonged drought condition, reported very few tenants unable to secure farms. In fact some counties had some idle farms available. These farms, however, are undesirable because of size, soil type, or some other reason and under present conditions are not economic units.

The county agents in those counties reporting the greatest migration were asked to supply additional information as to the ability, present location, and present occupation of the tenants involved. These reports indicated that a majority of the tenants unable to secure farms were below average in ability. Much of this was due, however, to poor farm management, poor equipment, and lack of finances. In eastern Nebraska and counties where crop conditions have been more favorable, the proportion of tenants unable to secure farms who were classified as good farmers was considerably higher than in other sections of the State. For example, Gage County reported that 20 of the 35 tenants unable to secure farms were good farmers. Dundy County reported only 2 of the 8 tenants unable to secure farms were lacking in ability and with the right kind of help all could have made a living on the farm. Sarpy County reported 10 tenants unable to secure farms, all were reported capable farmers and lost their farms merely because the farms they occupied were purchased by neighbors who expected to expand their operations.

Approximately one-fourth of the tenants were able to secure farms in Iowa, Colorado, and on the west coast. Of the remainder, about one-fourth have been able to get into defense work. A high proportion of those left are either working as day laborers or are employed on Work Projects Administration projects. A few have been able to locate private employment in the towns.

The survey indicated that there is a definite trend to increase the size of farm units. Tracts operated by small operators lacking sufficient capital and in some instances managerial ability are being purchased by larger operators or rented by them. Landlords are anxious to have their farms operated by someone with sufficient capital so that they will not be involved in signing crop-loan waivers.

The following statements sent in by agricultural agents were selected as supporting evidence because they represent the thinking of several leaders in each county and not necessarily the opinion of the agricultural agent.

The first statement comes from Lewis F. Boyden, agricultural agent in Johnson County, where 25 tenants were unable to secure farms.

"We have made another short survey among bankers, county officials, A. C. P. committeemen, relief directors, and insurance agents in compliance with your request of November 1, and have found 25 or more farmers in the county still without farms. Seven of these are on Work Projects Administration projects but have stated they would like to find a farm. About 8 are very good farmers and will probably succeed in getting a farm away from someone now farming. Three have stated that they want to rent good farms as they feel that the poorer farms are not profitable to operate. The rest are working in partnership or are living in a set of farm buildings and working by the month.

"At a recent land sale in Johnson County 11 farms consisting of 1,100 acres were sold, and all the land was added to farms now established. As near as we can find out, there have not been any new homes established on this land, and several of the tracts sold consisted of 160 acres.

"It seems that our most serious migration problem has been the young men moving out to take up work in sheet-metal factories, bomber plants, airplane factories, etc., connected with national defense. Some of these men were prospective good farmers. Of course, some were carpenters, plumbers, or someone who knew a trade."

The second statement comes from Arnold W. Petersen, agricultural agent in Kearney County.

"Several tenants were unable to secure good enough farms for themselves and consequently went into other occupations. Good farms in Kearney County are very difficult to secure. Farmsteads are badly run down and many landlords are not fixing up the improvements. Whenever the farms get too badly run down they remove buildings and rent the land out to neighbors. Many of the landlords take the attitude that keeping up the farm buildings in Kearney County is just an added expense and that they can make more profit without the buildings.

"Our loss of population at the present time has been due to the defense industry more than to the Army. There are, however, a number of farm boys being taken out of this community into the Army. We have a definite shortage of corn pickers in the county at the present time, and it is impossible to secure very many corn-husking machines. It is almost impossible to use them this year, as a great deal of our corn has gone down and machines would leave considerable corn in the fields. Some defense industry located either in Kearney County or in nearby counties would help keep our people in this area. It would be much easier to get the people back to the land after the emergency is over if we could keep them from going to distant concentrated areas. For the good of the Nation when the emergency is over it would seem advisable to distribute more of the defense jobs into rural areas. This was the thought of a board which met Monday evening, November 10."

The third and last statement comes from Wilbur C. Mackey, agricultural agent in Adams County, where 25 tenants were unable to secure farms.

"The information I am sending to you was secured from farm leaders familiar with the conditions here.

"The farming ability of most of these men was somewhat below the average of the county. Much of this was due to poor farm management. Some of it was due to poor equipment and lack of finances. It was necessary for many of them to finance their seed and operating expenses through the F. C. A., and many of the landlords refused to sign a waiver on their share of the crop. For this reason they rented to someone who was able to finance their own operations.

"A very few of these people moved to the Pacific coast, and the rest moved to the towns and cities to get on Work Projects Administration projects."

The CHAIRMAN. We shall now hear the testimony of William Donnelly.

TESTIMONY OF WILLIAM DONNELLY, OMAHA, NEBR.

Mr. ARNOLD. Will you state your name and address for the record?

Mr. DONNELLY. William Donnelly, 4643 Farnam, Omaha, Nebr.

Mr. ARNOLD. Please speak as loud as you can. Everybody is interested in what you have to say because you are an example of a boy who left the farm to go into industry. How old are you?

Mr. DONNELLY. I am 21. Will be 22 the 30th of November.

Mr. ARNOLD. What is your occupation?

Mr. DONNELLY. At the present time I am employed at the Omaha Steel Works, who hold a contract for shell production, and I am operating a turning lathe.

Mr. ARNOLD. Where were you born?

Mr. DONNELLY. At Neligh, Nebr.

Mr. ARNOLD. Where is that?

Mr. DONNELLY. One hundred and eighty miles northwest of here.

Mr. ARNOLD. Have you ever lived on a farm?

Mr. DONNELLY. I was born and reared on a farm and lived there up until I was 19 years old.

Mr. ARNOLD. Does your family live on a farm?

Mr. DONNELLY. My family was farming on a large scale, renting 320 acres, up until 1939. Then they moved to Creston, Nebr., and are living on a small acreage doing more intensive farming at the present time.

Mr. ARNOLD. Then they have moved to town?

Mr. DONNELLY. They are living on a small acreage right in Creston, a 13-acre tract, raising poultry and livestock for their source of income.

Mr. ARNOLD. Did they at one time own their farm?

Mr. DONNELLY. Yes.

Mr. ARNOLD. When did they lose it?

Mr. DONNELLY. They owned their farm at Neligh and lived there for 21 years and lost it in 1934.

Mr. ARNOLD. Because of the depression?

Mr. DONNELLY. Because of the drought and depression.

Mr. ARNOLD. How long have you worked for your present employer?

Mr. DONNELLY. Approximately 8 months.

Mr. ARNOLD. How did you get the job?

Mr. DONNELLY. I received a job through the fact that I was working with the Soil Conservation Service at the time. I had a 2-year service record and the personnel man from the Omaha Steel Works was out hiring men, and he got the superintendent there at the company to pick out 40 of his men with the best records, and those 40 men were interviewed and among those 40 men who were interviewed, those he wanted were selected. I was one who was selected.

Mr. ARNOLD. Where were you working on the Soil Conservation?

Mr. DONNELLY. At Madison, Nebr.

Mr. ARNOLD. How far is that from Omaha?

Mr. DONNELLY. Approximately 120 miles northwest.

Mr. ARNOLD. Then they were recruiting farm boys out of Omaha quite a distance away?

Mr. DONNELLY. That is correct.

Mr. ARNOLD. Are you married?

Mr. DONNELLY. Yes. I was married June 28 this year.

Mr. ARNOLD. That was soon after you got your job?

Mr. DONNELLY. Yes. My wife and I started going together in our junior year in high school, and we had planned on being married shortly after graduation, but I didn't have the backing in order to get started in agricultural work. My father had lost everything he had made in agriculture. I couldn't borrow money because I didn't have any backing, and I couldn't borrow on my reputation of what I knew of farming or what I had done on my father's farm, so I was forced to work out. Wages were small, so we couldn't consider getting married then. Then I joined the Soil Conservation Service and worked there 2 years. Their wages were rather low and the living conditions were undesirable, too, so this is the first opportunity I had of getting married where wages were high enough so we could live.

Mr. ARNOLD. You have a high-school education?

Mr. DONNELLY. That is correct.

Mr. ARNOLD. Your training in high school and for 2 years after high school has been along agricultural lines?

Mr. DONNELLY. For 2 years after graduating I was employed by the Soil Conservation. There we did the soil-conservation work in the day and in the evenings took night courses. Those who wanted to did. I took soil conservation, animal husbandry, and various courses along agricultural lines.

Mr. ARNOLD. Then you left agriculture to go into industry because of the poor pay?

Mr. DONNELLY. That is right; because I couldn't get a loan of any kind to set me up in my own business.

Mr. ARNOLD. Do you prefer to be in agriculture or in industry?

Mr. DONNELLY. I would much prefer to be in agriculture but I wouldn't care to farm the way the average farmer does. What I want to do is diversified farming, particularly livestock, the feeding

and buying and selling of livestock, and later to work in purebred breeding livestock.

Mr. ARNOLD. Did you live on a "dry" farm?

Mr. DONNELLY. Yes; that is the type.

Mr. ARNOLD. Do you intend to stay in industry or do you some day expect to go back to farming?

LACK OF CAPITAL TO START FARMING OPERATIONS

Mr. DONNELLY. If I ever can save up the capital or get the capital in some way, I do intend to go back to agriculture because that is where all my training and background is at the present time.

Mr. ARNOLD. How much do you estimate will be required to start you in the type of farming you wish?

Mr. DONNELLY. Something between \$3,000 and \$5,000.

Mr. ARNOLD. Have you ever tried to get a loan to start on?

Mr. DONNELLY. Yes. My agriculture instructor looked into it for me but he could find no place that I could get a loan without having security. My father lost everything he had made in good years, and couldn't back me. After I graduated from high school I had the assistance of two different county agents who were going to look into it for me. The first thing was I had to be married. I didn't have a job that I felt I could be married on. And in the next place I would have to have a farm rented before they would consider loaning me money. Without any prospects to finance carrying on that farm I didn't think I should take the chance of renting one.

Mr. ARNOLD. You know, no doubt, many young men with farm backgrounds such as yours. Are many of them farming now or are they going into industry?

Mr. DONNELLY. In my agriculture graduating class from high school I would say that the biggest share of those young men are not employed in agriculture at the present time. They are employed in defense industries and other industries.

Mr. ARNOLD. Do you account for that partially because of the depression and drought, and do you think if we hadn't had a depression and severe drought in Nebraska, a good share, perhaps half of them, would be farming today?

Mr. DONNELLY. Possibly; yes. About 50 percent of those who are not farming are not farming because of the low wages and the small income the farmer receives. I would say that the other 50 percent would be farming if they could get the capital to get started.

Mr. ARNOLD. Do the ones in industry want to go back to farming?

Mr. DONNELLY. I think the large share of them do at the present time, providing they can save up the capital. But after they once get into industry and have worked there 3 or 4 years, no doubt they will be unable to save up \$3,000 to \$5,000. But eventually I think that agricultural background will decrease and their desire for it will decrease as they have been away from it longer, and the interest in industry will increase. The chances are they will—most of them—stay in industry.

Mr. ARNOLD. This committee feels that after this war effort is over many young men will be forced to go back to the farms, and it would be greatly to their advantage if they can have something saved up for that purpose. The Government might not at that time have money to pump out into the rural areas as it has been doing for the past 8 or 9 years. Are you thinking along that line?

Mr. DONNELLY. That is what I am trying to do now—save enough money during the time I am working in industry to go back into agricultural work when the industry boom is over.

Mr. ARNOLD. Do you find many other young people thinking along that line and saving money?

50 PERCENT WOULD PREFER FARMING

Mr. DONNELLY. Out here at the Omaha Steel Works, which holds a small contract with the Government, I would say about half of those boys are from the rural districts and have agricultural background. I have talked to a good many of them, and I would say that 50 percent of those boys from the farms don't have any particular desire to go back; and the other 50 percent, I would say, if they could get the capital and could get started, would rather be back on the farm today than be employed at their present place.

Mr. ARNOLD. Are any of them trying to save money?

Mr. DONNELLY. Yes; I think they are.

Mr. ARNOLD. Do those who have in mind going back to the farm have any different ideas about saving money than those who think they will stay in industrial life?

Mr. DONNELLY. I think that is perhaps true. Those who are planning to go back to the farm have a goal before them that they want to save for. Those employed in industry, and planning to stay there, don't have the same goal.

Mr. ARNOLD. Have any of your friends gone into defense work outside of Nebraska?

Mr. DONNELLY. A great many of them have. Several of the boys who graduated from my agriculture class are working along the west coast, in the Lockheed aircraft plant and other defense plants, and my very close friend who was working at the Omaha Steel Works at the same time I was, about 3 months ago, left and went to the west coast.

He was a boy born and reared on a farm, and he started farming with his father. The first year he farmed they raised a fair crop and he made a little money; then the next year, his second year of farming, which was last year, the drought struck them and he lost everything he had made the year before. He was very much discouraged because he had lost everything he had made, so he decided to go into defense work. He went out to the university and took training in several courses—lathe operating, sheet-metal working, and a course in aeronautics. He received his job there at the Omaha Steel Works through his course in lathe operating, and later he had the opportunity to get a job with Lockheed on the west coast.

Mr. ARNOLD. More salary?

Mr. DONNELLY. Yes; more salary; so he left, and he is at the present time at the Lockheed aircraft plant, and I'd say that many of the boys that have started at the Omaha Steel Works have left and are now working on the west coast.

Mr. ARNOLD. This committee feels that it will be harder for those boys who go farther from home to get back after the defense boom is over, so we are interested in seeing the defense contracts dispersed throughout the country, and plants built where it is more convenient for the young men to come to work and easier for them to get back onto the soil later.

Mr. CURTIS. William, you graduated from a Smith-Hughes school, didn't you?

Mr. DONNELLY. That is correct.

Mr. CURTIS. Where was that school?

Mr. DONNELLY. At Neligh.

Mr. CURTIS. In your effort to get started at farming, if you could have secured the money for livestock and equipment, could you have got a farm?

Mr. DONNELLY. Yes; I think I could have rented a farm very easily, because of my father's reputation in farming and my agriculture grades in high school.

Mr. CURTIS. Is that generally true? Can young men get farms if they get the equipment?

Mr. DONNELLY. I think most of these young boys graduating from high school will find it quite easy to get a farm but during the depression many of the farmers have had to sell off their livestock and buy feed for the driest of years, and the livestock is running rather low. They sometimes kept machinery and in order to make the largest amount of income on the amount of capital invested they rented more land. In place of farming one farm and having the other stocked with livestock, they farmed two farms, and they haven't the livestock to feed. They are farming more acres than they were.

Mr. CURTIS. Is the picture very bright for a young man who buys a farm and hopes to be able to pay for it from what the farm produces?

Mr. DONNELLY. I wouldn't say that it was.

Mr. CURTIS. Is the price of land too high, from the young man's standpoint, or too low?

Mr. DONNELLY. The price of land is perhaps higher now than it will be after the war boom is over.

Mr. CURTIS. And the individuals who have spent years of toil on land that is heavily mortgaged want the price to stay up?

Mr. DONNELLY. Yes, sir.

Mr. CURTIS. But do you think present prices are too high from the standpoint of what the young men could pay from their earnings on the farm in years to come?

Mr. DONNELLY. I feel that a young man who has been born and reared on a farm and has taken vocational agriculture in high school and has learned the modern methods of feeding, and animal husbandry, and soil conservation, and various things that would allow him to use the most modern methods of farming, could perhaps make out very well.

LACK OF CAPITAL CONTROLLING FACTOR

Mr. CURTIS. Do you think that the lack of a start, a financial start, is what is keeping a great many of them away?

Mr. DONNELLY. Yes; I do. I feel that is the big factor with these young boys graduating from vocational agriculture high schools.

Mr. CURTIS. Does the lack of modern conveniences and better houses on the farms enter into it? Do you think it is true that many young men are refusing to farm because life on the farm isn't quite as good as what they feel it is somewhere else?

Mr. DONNELLY. No; I don't believe that is the reason; because these young men, if they had the capital, most of them could improve that.

Mr. CURTIS. I am glad to hear you say that, because I think it is very true. The Nebraska boys are still willing to work hard and

sacrifice and improve as they go along. Now, this work you have at the present time is defense work?

Mr. DONNELLY. Yes, sir.

Mr. CURTIS. How many people work there?

Mr. DONNELLY. Approximately 400.

Mr. CURTIS. And a good share of them are young men?

Mr. DONNELLY. I would say 90 percent are between 18 and 26 years.

Mr. CURTIS. As you visit around with those young men, going and coming, and at lunchtime, do you feel that they realize that this is a sort of temporary thing?

Mr. DONNELLY. Yes; all of them realize that.

Mr. CURTIS. And you think most of them are doing their best to plan to protect themselves when that work stops?

Mr. DONNELLY. I think they all realize that wages are higher now than after the boom is over, and most of them are trying to save and prepare themselves.

Mr. CURTIS. Are most of them married?

Mr. DONNELLY. Most of them are single.

Mr. CURTIS. Is the rent that you have to pay high?

Mr. DONNELLY. The rent for the apartment, you mean?

Mr. CURTIS. Yes.

Mr. DONNELLY. I think it is higher than it has been in the past, although not tremendously high.

Mr. CURTIS. But with more activities, it is going up some?

Mr. DONNELLY. Yes.

Mr. CURTIS. But you haven't noticed any unreasonable rise?

Mr. DONNELLY. No, sir.

The CHAIRMAN. I don't have any questions to ask, but I do want to say he has made a very interesting and helpful statement.

Dr. LAMB. What are the average wages at that plant?

Mr. DONNELLY. The average lathe operator—and perhaps 40 percent of the work is lathe operating work—starts at 50 cents an hour, and after 1 month is increased to 55 cents.

Dr. LAMB. That is for a 40-hour week?

Mr. DONNELLY. Yes; and time and a half for anything over 40 hours.

Dr. LAMB. Are they working overtime at the present?

Mr. DONNELLY. Yes.

Dr. LAMB. How many hours?

Mr. DONNELLY. About 5 hours a week.

Dr. LAMB. So you are making about \$25?

Mr. DONNELLY. About \$25 a week.

Dr. LAMB. And you think you are going to be able to make some savings?

Mr. DONNELLY. Of course, I am a married man, where many of them aren't, and I find that I make a living and not a great deal more than that.

Mr. CURTIS. Mr. Donnelly, not only was your statement interesting but I think it is a very good statement as an example of the kind of the fine young men we have in Nebraska. We thank you for your appearance here.

The CHAIRMAN. We shall now hear Mr. Seafe.

TESTIMONY OF L. R. SCAFE, VICE PRESIDENT, GLENN L. MARTIN CO., OMAHA, NEBR.

Mr. CURTIS. The committee is very happy to have you here as a representative of the Glenn L. Martin Co. It was our privilege to have Mr. Martin as a witness when we held hearings in Baltimore, and since that time I have talked with him about the Nebraska situation, and we know of his fine attitude toward the problems out here. Will you give your full name, please?

Mr. SCAFE. Lincoln Robert Scafe.

Mr. CURTIS. What position do you hold?

Mr. SCAFE. I am vice president and general manager of the Nebraska company.

Mr. CURTIS. That is a separate company?

Mr. SCAFE. Yes, sir.

Mr. CURTIS. The statement submitted by you will appear in full in our record.

(The statement referred to follows:)

STATEMENT BY LINCOLN R. SCAFE, VICE PRESIDENT, GLENN L. MARTIN CO.**PERSONNEL PROBLEMS OF THE GLENN L. MARTIN-NEBRASKA Co.**

Under its agreement with the Government, the Glenn L. Martin-Nebraska Co. will begin actual production operations at the New Fort Crook plant, 6 miles from Omaha, Nebr., some time after January 1, 1942. The date is as yet indefinite, although the construction of the plant will have been completed in the near future.

Prior to productive activity the operations will consist of tooling, installation of machinery and equipment, and the final integration of the company's program. This program will concern not only the operations at Omaha but those of the company's subcontractors, principal among whom are the Chrysler Corporation, the Hudson Motor Car Co., and the Goodyear Tire & Rubber Co. Under present commitments, the Martin-Nebraska Co. will technically perform 40 percent and its subcontractors 60 percent of the work of manufacturing Martin B-26 bombers for the United States Army Air Corps. The 40 percent charged to Glenn L. Martin Co. will in turn be subcontracted in large measure.

It is estimated that the total number of employees of the Martin-Nebraska Co. will approximate 8,500. It will take 10 or 11 months to reach this total of personnel.

The problem of obtaining the necessary working force for the Omaha plant will be met in several ways:

The large proportion of the supervisory force will be transferred from the Baltimore plants of the parent company, the Glenn L. Martin Co. In addition, the parent company will give consideration to the requests of former residents of Nebraska and neighboring States among its personnel for transfer to the Omaha plant. There are several thousand of such eligible, many of whom joined the Baltimore company especially to prepare themselves for work at Omaha. These two forces will provide a nucleus of trained personnel in the production system.

Training programs are under way in Omaha and throughout the State of Nebraska on vocational levels and on college training levels. These are under direction of the Nebraska State director of vocational education and the University of Nebraska, respectively. The capacity of this State-wide program is unknown as yet, although examination of the training centers has indicated that they are satisfactory and will meet Martin standards for related subject training and up-grading.

The National Youth Administration is conducting training activities in connection with the vocational schools of Nebraska looking toward supplying the Martin-Nebraska plant.

The in-plant training procedures perfected in the Martin plants at Baltimore will be followed at the Nebraska plant.

The operations at the Omaha plant will be largely aircraft assembly. These occupations lend themselves well to the national-defense training program. The Martin-Nebraska Co. will need trained mechanical workers for practically all skills having to do with a complete manufacturing plant. However, the Omaha plant will be largely devoted to assembly, and necessary skilled help will be in smaller proportions than that needed by complete manufacturing units at the present time.

Following the long-time policy of the Glenn L. Martin Co. of utilizing local labor sources to the fullest possible extent, the Martin-Nebraska Co. will give first consideration to qualified applicants from Nebraska, and from preliminary surveys it appears that adequate labor will be available in the lower skills and for training purposes.

A factor which enters here is that numerous residents of Nebraska, many of Omaha, migrated during the first year of the emergency to east- and west-coast national-defense industries. It seems certain that there will be an ingress of these former residents anxious to obtain industrial employment with the Martin-Nebraska Co. Consideration will be given these applicants in line with Office of Production Management policies on migration of employees from one defense industrial plant to another. A Martin survey definitely indicates that there will be a considerable number of Nebraska citizens who will return to seek employment at the Omaha plant.

At this date, in advance of the company's employment program, the problem of immigration does not appear large. However, a survey of housing facilities in Omaha and its environs indicates strongly that there will be a housing shortage, even for those relatively few employees who will, of necessity, be transferred from Baltimore to the Omaha plant. This will especially affect single men and married men who arrive in Omaha for starting operations without their families. The company has no plans for housing developments of its own.

It is considered important that a careful check be made of health conditions in the community, especially as they will be affected by immigration of additional residents.

The problem of roads serving the Omaha plant has already been studied by the State and, it appears, traffic arteries will be provided to fit the needs of the expected flows.

TESTIMONY OF L. R. SCAFE—Resumed

Mr. CURTIS. How far is your new plant from downtown Omaha?

Mr. SCAFE. Approximately 11 miles.

Mr. CURTIS. When are you expecting to start operations?

Mr. SCAFE. Shortly after the first of the year.

Mr. CURTIS. How many people do you expect to employ?

Mr. SCAFE. Eventually we will employ in the neighborhood of 8,500.

Mr. CURTIS. When do you expect to reach your peak employment?

Mr. SCAFE. Not before the summer or early fall of 1942.

Mr. CURTIS. Do you hire through the State employment service, or are you building up your own list?

Mr. SCAFE. We are getting up our own list.

Mr. CURTIS. How does an applicant get on that list, by mail or by applying in person?

Mr. SCAFE. Both ways. Applicants write in or come to town and appear in person at our employment department.

Mr. CURTIS. What arrangements do you have with the various training programs for providing qualified workers?

Mr. SCAFE. We have been working for the past several months with the University of Nebraska, Omaha University, the national-defense training school, and the Omaha public-school system. From the defense training school we have received a proposal prepared by their director, stating that it would be possible to graduate from their

vocational training course 2,500 potential employees a year. The Omaha University will train necessary production personnel, and the University of Nebraska will train engineers and inspectors as required.

Mr. CURTIS. The Milford school has not started to turn out any people yet?

Mr. SCAFE. Not yet, I understand.

Mr. CURTIS. We note in your statement that former Midwest residents working in your Baltimore plant who request transfer to Omaha will be given consideration. Can you tell us how many such requests you have received and how many employees you expect to bring from Baltimore?

Mr. SCAFE. We have received about 1,700 such requests to date.

Mr. CURTIS. The term, "Middle West," I find, means different things to different people. What States do you include? What would be the western boundary?

Mr. SCAFE. We take in Nebraska, Iowa, the Dakotas, possibly Indiana, Kansas.

Mr. CURTIS. The committee would be interested in a tabulation of your hiring by place of previous residence, if we could secure that from you.

Mr. SCAFE. A tabulation of that kind would require several weeks.

Mr. CURTIS. That would make it too late for inclusion in our present hearing, but we would be glad to publish it in a subsequent volume if we could receive it in January or February. Would you be able to provide it?

Mr. SCAFE. Yes, sir.

WAGE RATES

Mr. CURTIS. What would be the average wage for workers hired here as compared with the wages for those in Baltimore?

Mr. SCAFE. We haven't established as yet any rates here. We hope to be good neighbors and not upset the general situation that exists, but we will have to be governed somewhat by the structure of rates paid throughout the airplane industry and somewhat by those applicable to this territory.

Mr. CURTIS. Will your wage scale also take into account the local cost of living?

Mr. SCAFE. Yes, sir.

Mr. CURTIS. Have you made any estimate of what the average married worker may have to pay here for rent?

Mr. SCAFE. No, sir.

Mr. CURTIS. We know that you have made a survey of the housing facilities available in Omaha to care for your workers, and this survey indicates that there will be a housing shortage. Can you give us figures on that?

Mr. SCAFE. The figures we have are gathered from several sources, such as the chamber of commerce and the Omaha Real Estate Board, and through the Federal Housing Administration. We have been advised that there are houses for rent, including Council Bluffs and other suburbs, to the number of 995 to 1,000. There are about 760 houses for rent in Omaha proper; in the neighborhood of 1,000 vacant apartments; and approximately 100 duplexes; or a total of about 3,000 vacancies. We have not checked those figures, but they are compilations that have come in to us.

Mr. CURTIS. What has been your experience in the past with the boys from the farm States employed in the company plants?

Mr. SCAFE. We have found them very good employes.

Mr. CURTIS. Do they have an aptitude for training?

Mr. SCAFE. They do; and we find quite frequently that those boys have had good experience, having been obliged to repair their own machinery and to know how to do things of that kind. They are slightly prepared when they arrive, because of their own experiences.

Mr. CURTIS. By the very nature of the work, and the danger of sabotage, you have to impress upon them certain rules and exercise a certain degree of discipline, do you not?

Mr. SCAFE. Yes.

Mr. CURTIS. How do the rural boys respond to and cooperate under that policy?

Mr. SCAFE. Very willingly.

Mr. CURTIS. How much of your work would be subcontracted to firms in this region?

Mr. SCAFE. Not a great deal to firms in this region, but there will be some wherever we can find firms that are in position to take on small manufacturing.

Mr. CURTIS. Is the Chrysler Corporation the subcontracting agent for the Martin Co.?

Mr. SCAFE. We have three—Chrysler; Goodyear, in Akron; and Hudson, in Detroit. They handle about 60 percent of our production.

Mr. CURTIS. Do you expect the Omaha plant to operate after the defense period?

Mr. SCAFE. I don't know, sir. It is a wholly Government-owned project.

Mr. CURTIS. But from your knowledge of the type of machinery there, would you say that there are possibilities of conversion to peacetime aviation uses?

Mr. SCAFE. Yes, sir; I think so.

Mr. CURTIS. And is the plant designed to meet that eventuality if necessary?

Mr. SCAFE. It could be so designed.

Mr. CURTIS. In case it is used after the war, would it maintain the same level of employment as now?

Mr. SCAFE. I couldn't say. It would depend upon the type of product.

LABOR PIRACY

Mr. CURTIS. We have been discussing your labor policy here in Nebraska. We farmers out here aren't very familiar with terms such as "labor piracy" and the like. We have been told that a great many midwestern boys who are employees of other aviation concerns would like to return to this region and work for the Martin Co., but that you are not in a position to take them. Would you tell us about that?

Mr. SCAFE. We are not in a position to take them, or encourage them, not yet having started production. We have been fearful that misleading publicity might cause some of those boys to come back before we were ready to employ anyone, and there would be an excess of labor on the market. It is not our policy to be pirates in the industry.

Mr. CURTIS. Would the encouragement of such a regional change be considered labor piracy?

Mr. SCAFE. I don't know just exactly what definition to put on labor piracy. We frown on the practice of raiding other plants or factories for help.

The CHAIRMAN. When we were out on the west coast several months ago, the personnel manager of one of the large airplane companies out there testified that they had recruited most of their labor from back here in the Midwest, and he very frankly told us that they invited and desired people who had advanced from a stage of semiskilled to skilled labor in factories and plants operating here. He said it was absolutely necessary for the aviation industry to recruit its labor in that way.¹

Mr. CURTIS. Mr. Scafe, I think you are quite sound in your disapproval of the circulation of stories that would build up false hopes and induce people to quit their jobs or sell their belongings and travel long distances merely to be disappointed. I believe the people of Nebraska and elsewhere will appreciate your attitude. At this time, has no conclusion been reached as to what might be done with applications of boys employed by companies elsewhere?

Mr. SCAFE. Not yet, sir.

SUBCONTRACTING PRACTICES

Mr. OSMERS. I would like to ask Mr. Scafe about subcontracting policy. We were in central Nebraska yesterday, and we found that a large number of small machine shops and equipment factories throughout that area are now starting to feel the pinch of priorities and the lack of defense orders,² and it occurred to everyone on the committee that if a plant like your own in this area could subcontract for small parts which these factories could make, it would aid the economy of Nebraska and all the surrounding States.

What parts do you have made outside your plants?

Mr. SCAFE. We do have small parts made—some castings and parts of that type—and if these small industries are equipped so that they can take care of orders like that, we will be very glad to hear from them and give them every consideration.

Mr. CURTIS. You say "equipped." Do you mean they must have precision equipment and machines with fine tolerances?

Mr. SCAFE. Not in every instance. There are such things as braces and many other parts in an airplane that could be made in lots of plants.

Mr. OSMERS. How do you work it, Mr. Scafe, at your Middle River plant?³

Mr. SCAFE. I am not familiar with that. I am not of that company.

Mr. OSMERS. I was wondering what sort of policy they had adopted.

Mr. SCAFE. I am a newcomer in this industry. I am an automobile man.

Mr. OSMERS. The possibility of Nebraska boys coming back home from California to work in your plant has been mentioned. It is pretty hard, of course, to define "labor piracy," as you say. As far as you know, is there any oversupply of industrial labor in California?

Mr. SCAFE. Not so far as I know.

¹ See testimony of Maj. Edgar N. Gott, San Diego hearings, pp. 4848-4859.

² See Hastings hearings, pt. 21.

³ The plant referred to is the Glenn Martin Co.'s works at Baltimore. See Baltimore hearings.

Mr. OSMERS. I just want to make it clear that for every young man who returns from California to Nebraska someone else must go to California to take his place.

Mr. SCAFE. That would be the assumption.

Mr. OSMERS. So from the standpoint of migration, I think that to encourage a general return movement of that kind would be very unwise, and I was glad to hear you say that your company is deliberately not encouraging such movement.

Mr. SCAFE. We would much prefer to hire as many people as we can right here in the local market.

Mr. OSMERS. Do you feel that you are going to have difficulty in getting the skills you require?

Mr. SCAFE. I don't think so.

Mr. OSMERS. I know the company has handled the problem very well in Middle River.

The CHAIRMAN. This Omaha plant is Government built and Government owned?

Mr. SCAFE. Yes, sir.

The CHAIRMAN. And your company is hired to operate it? And, of course, you have nothing to say as to its future operations?

Mr. SCAFE. Nothing whatever.

The CHAIRMAN. That is all. Thank you very much. We will take a 5-minute recess.

TESTIMONY OF W. C. FRASER, ATTORNEY, OMAHA, NEBR.

The CHAIRMAN. Mr. Fraser, will you take the witness stand, please? Mr. Curtis will interrogate you.

Mr. CURTIS. Will you give your full name for the record?

Mr. FRASER. W. C. Fraser, Omaha, Nebr., attorney.

Mr. CURTIS. You have been connected with the Omaha Chamber of Commerce, have you not?

Mr. FRASER. I was vice president from July 1, 1939, to July 1, 1940, and president from July 1, 1940, to July 1, 1941.

Mr. CURTIS. At that time did you represent the chamber of commerce in certain efforts to gain a greater participation in the defense program for Omaha and surrounding territory?

Mr. FRASER. Quite actively; yes, sir.

Mr. CURTIS. What regional office in connection with defense do you now hold?

Mr. FRASER. I am a member of the Governor's State defense committee and chairman of Regional Committee No. 1, which embraces Washington, Douglas, Sarpy, and Burt Counties.

Mr. CURTIS. In other words, Omaha, with one county to the south and two to the north?

Mr. FRASER. That is right.

Mr. CURTIS. Mr. Fraser, I am sure that in your work along this line you have arrived at some conclusions and suggestions in reference to the defense program in the Middle West that this committee would like to have.

DEFENSE PROGRAM IN OMAHA

Mr. FRASER. In Omaha we were confronted early with the problem of complaints that hundreds of skilled workers, particularly craftsmen, were being attracted away from Omaha by defense projects

located in other portions of the country—on the west coast or in the eastern section. Accompanied by other officials of the chamber of commerce, I attended two meetings in Kansas City where we analyzed the condition of nine States in the Middle West and what was probably happening to us. After making a trip to Washington, I anticipated that before long, with all these defense contracts being let and new plants being built, priorities in materials were bound to follow; and in that event, Omaha and other Nebraska manufacturing establishments would not be able to carry on their business. So we got busy trying to get some defense plants located in Nebraska for the purpose of retaining our skilled workmen and other employees.

We also attempted to get in touch with the defense program in Washington for the purpose of getting contracts in the hands of Nebraska manufacturers whom we thought were qualified to take either prime or subcontracts. We found that problem very difficult, because the large manufacturers didn't want to bother with subcontracts, and the Government agencies themselves didn't want to bother with subcontracting either.

We compiled a vast amount of material and a list of all establishments in Omaha, and other chambers of commerce throughout the State did the same thing, listing every machine tool that we had in our plants. We secured lists of the larger contractors, and many times communicated with them.

BIDDING DIFFICULTIES

In the beginning we found that we were handicapped from the fact that a great many quotations were asked f. o. b. some eastern point, such as Baltimore or Philadelphia. We took action on that and had some things straightened out, particularly in the bidding by tent and awning and clothing manufacturers, and we got a number of bids from the Government f. o. b. Omaha, and as a result quite a few contracts have come to Omaha.

We also found trouble, however, in the time requested for bids. The notices that we got from Washington, on which we thought some of our manufacturers might submit quotations, required bids in Washington or some other procurement office in too short a time for the Nebraska manufacturer to acquire all the information that he needed in order to submit an intelligent bid. I think with the vast quantities of materials being ordered, where repeat orders are inevitable, more time could be given, so that the Nebraska manufacturer, for example, could secure adequate information and bid on these items, perhaps not for the original purchase, but for some subsequent reorders.

Mr. CURTIS. This committee has gone on record some 6 weeks ago as recommending a decentralization of the defense effort and further subcontracting.¹ Do you feel that is sound national policy as well as of definite help to the Middle West?

Mr. FRASER. I do. I feel that the history of the United States demonstrates that the location of industries during wartime has settled the industries in those localities for 25 or 50 years afterward. And if industries are concentrated in any part of the country now by reason of the war—manufacturing establishments built or enlarged—that is where those industries are going to be for 25 or 50 years. So I think that in order to have industries distributed throughout the United

¹ See first interim report, pp. 20-22.

States it is necessary to decentralize as many of the defense contracts as possible and spread the work over the Nation.

Mr. CURTIS. How about our own protection in case of actual warfare?

Mr. FRASER. One of the points that we tried to make in Washington was in accordance with a statement of the President a year and a half ago, in which he said that many of these defense industries should be located between the Alleghanies and the Rockies. We followed that up in our meetings at Kansas City. I was on the resolutions committee, and the points that we drafted were selected with a view to the economic future and present defense of the country. We felt that many of the plants should be located in the Middle West.

Mr. CURTIS. If present reports are true, the defense spending has only started. Before it ends, it may reach a figure far beyond any present expectations. If that is true, do you think that the Federal Government should adopt means and methods, insofar as possible, to render all aid to the smaller concerns to get them started in defense work?

Mr. FRASER. I think it should, even though the placing of some original orders might be a little more expensive. I think the ultimate economic benefits would more than offset the initial increased expense.

Mr. CURTIS. Many cities and towns and villages could absorb a little additional employment without creating other important costs, such as new houses, added sewers and highways; could they not?

Mr. FRASER. That is right. Our regional committee has made studies of that. We have committees on education, recreation, extension of the water supply, schools, and a million-dollar highway program leading to the bomber-assembling plant, and on other problems created by the increasingly concentrated population.

I should like to make one suggestion. I understand that when a big tract of land is taken for a plant, such as the project at Wahoo, that tract is usually cleared. It occurs to me that in order to build a shell-loading or a powder plant, we need not destroy all the buildings in an area of 10 to 20 miles; we can leave most of them standing, so that when the emergency is over, those buildings are still there for farm usage. They may interfere, or they may not, but it occurs to me that in many instances they wouldn't.

Mr. CURTIS. From your knowledge of Nebraska, would you say it is possible to find locations that have all the advantages of transportation and other requirements and still get marginal and submarginal land for these plants?

Mr. FRASER. Yes. The Omaha Chamber of Commerce and other chambers have offered five or six sites for big projects, filling the requirements you mention.

Mr. CURTIS. Are the dislocations of population less serious when submarginal, sand, or dry lands that can never be irrigated are used for this purpose, instead of choice farm lands?

Mr. FRASER. I would think so; yes.

The CHAIRMAN. We thank you very much. We shall now hear from Mr. Ward.

TESTIMONY OF CAL A. WARD, REGIONAL DIRECTOR, FARM SECURITY ADMINISTRATION, UNITED STATES DEPARTMENT OF AGRICULTURE, LINCOLN, NEBR.

The CHAIRMAN. Mr. Ward, Mr. Osmer will interrogate you.

Mr. OSMERS. Will you kindly state your full name?

Mr. WARD. Cal A. Ward, Lincoln, Nebr.

Mr. OSMERS. Mr. Ward, I have read some very interesting testimony that you gave last year before this committee when it was at Lincoln.¹ It was my misfortune not to have been there at that time, but we are glad to have you back again.

Mr. WARD. Thank you.

Mr. OSMERS. I haven't had an opportunity to digest your statement prepared for this hearing. I have got far enough into it, however, to see that it is an extremely important document, dealing with the agriculture of this area. It will be entered in full in the record.

(The statement referred to above is as follows:)

AGRICULTURAL READJUSTMENT PROBLEMS, DUE TO DEFENSE ACTIVITIES, IN KANSAS, NEBRASKA, NORTH AND SOUTH DAKOTA

BY CAL A. WARD, DIRECTOR, REGION VII, UNITED STATES DEPARTMENT OF AGRICULTURE, FARM SECURITY ADMINISTRATION

RELOCATION AND READJUSTMENT PROBLEMS OF FARM FAMILIES IN KANSAS, NEBRASKA, NORTH DAKOTA, AND SOUTH DAKOTA. DUE TO DEFENSE ACTIVITIES

INTRODUCTION

Agriculture today is faced with conditions and problems which could not have been imagined 25 to 35 years ago. Rising prices, competition between big landowners and little farmers, defense relocation activities, and other pressure factors, following closely on the heels of periods of depressed prices and curtailed yields due to droughts, have brought about a terrific land pressure. The principal victims of this pressure are the farm families who lack security of tenure.

Before today's situation can be appraised accurately, it is necessary to have in mind a correlation of events and developments which have affected American agriculture during the past few decades. Agricultural practices and activities during the period from 1906 to 1915, for instance, fitted in with general conditions of that period. Farmers, as well as the whole of society, formed habits in the way of doing things which were in keeping with that period.

Agriculture and general conditions have changed constantly since that period, as, indeed, they changed before them. It may be that conditions change more readily than do people or people's practices. That is why, perhaps, it is advisable to review, sketchily, what has taken place.

Throughout the 1906-15 period, fairly even yields were experienced year in and year out. There was very little price fluctuation. Luxuries now considered more or less necessary to the ordinary American family were virtually unknown, yet the people had a very good living and, on the whole, were satisfied.

Progress up the agricultural ladder, from farm laborer to tenant farmer to owner, was fairly constant. Frequently a girl or boy of one family was sent to work as a hired hand or hired girl for a neighbor in the hope that one or both might marry into the employer's family, thus to set up a new farm home.

Considerable land in this region in that period was still open for settlement; so it was not extremely difficult for a dissatisfied tenant farmer to find a desirable homestead and set up for himself on his own place.

¹ See Lincoln hearings, p. 1444 et seq.

Then, the World War

Following that period came World War No. 1, and with it extremely rapid changes in America's agricultural and economic picture. The good yields continued; prices doubled and trebled. Millions of acres of new land that should have been left in grass were broken and planted to wheat. It was not uncommon for the first crop of wheat to pay a man for his farm.

With these unprecedented high farm returns, farm-land prices skyrocketed. Every one was in a fever to buy land. A farmer owning his own place clear frequently bought an adjoining piece of land at a price far beyond its value, mortgaging his clear property to provide the down payment.

This often meant displacement of a family, but because farm wages were extremely high, providing a good living for a farm hand, and because free land was still available for homesteading, no particular concern was felt.

Debts increased

Along with this fervor for increasing debts through land purchase was an equal desire to buy manufactured goods of all types, and installment buying gave this a big boost. The general feeling was that this country had entered an era of unending prosperity with limitless incomes and possible spending.

With these greatly increased debts, incurred at enormously inflated prices, came a general attitude that the old, homely practices of self-sufficiency were no longer necessary, and farmers and farmers' wives began buying many things they formerly produced for themselves, and even invented ways of spending the money that was coming in so easily.

The war's aftermath

When the war ended demand immediately began falling off, but production stayed at the peak that had been generated by the war. In the years of 1921 and 1922, there was a rapid drop in prices, and farmers became concerned over the disparity between prices received for their commodities as compared with the prices that had prevailed when they had contracted their large indebtednesses.

From 1923 to 1926 agricultural prices showed considerable improvement, and the tension was greatly eased. From 1926 to 1929, however, with continued high production and rapidly increasing surplus, prices again went into a severe decline. In 1929 the Federal Farm Board came into the picture and temporarily eased the situation in wheat and cotton which were, at that time, the worst sufferers. Very soon it became apparent that price stabilization was impossible without production control. In a little more than a year the Farm Board withdrew support from the market and prices dropped to a level which made it impossible for farmers to operate and pay their debts.

Wholesale foreclosures on land and chattels followed, and the dispirited farmer, seeing his years of hard labor coming to naught, became desperate and looked to drastic methods to stop this terrible loss. Farm strikes became common, and reached their peak in the winter of 1932 and 1933. There was practically no market for farm goods, and farmers were actually in want even though they had an overabundance of raw materials on their farms.

Ever-normal granary

From this serious situation came the realization that the Federal Government must do something constructive and helpful, and in the fall of 1933 the wheat program providing for a control of acreage got under way. A short time later a hog-buying program was started. In spite of sharp remarks about the "slaughter of the little pigs," this program was a real help. Prior to this program, it was not uncommon for a farmer to take a wagon load of pigs to the sale barn and fail to get a bid on them.

In January of 1934 came the first step toward the ever-normal granary, with the sealing of the 1933 corn crop. Farmers were not long in seeing the value of this program; first, because they were able to sell their corn for 17 cents per bushel more than they could sell it for on the market; and second, because in the following winter the corn was in the area where it was needed, and the farmer who had to buy made a substantial saving in freight, commissions, and so on. Also in 1934 the corn-hog program was started for control of production of both corn and hogs.

During the first year of this program came the horrible drought of 1934, and the consequent necessity for the cattle-buying program and the distribution of surplus grain as feed for subsistence livestock.

The second drought

In 1936 there was a second drought year as bad or worse than 1934, and from then until 1940 yields were far below normal. Many farmers in this region had raised practically nothing for the past 8 or 10 years. It is difficult for one who has not actually seen and experienced this condition to picture the struggle farmers have gone through trying to hold enough stock and equipment together to feed their families. Such trying times have resulted in much loss of morale and much loss of actual property through foreclosure.

Now, we must guard against repetition

From this picture of drought, low yields, low prices, and very meager incomes we have changed very suddenly, in 1941, to an almost direct opposite. Farmers in this region, generally, are experiencing the best yields of the last 15 years, and the best prices for their products that they have realized in many years.

Farmers are again feeling prosperous, and are expanding their operations with any credit available, and unless some checks are developed the present situation can lead to the same debacle, after the defense emergency, that we experienced in 1920-33. This rapid upward trend in incomes at a time when all labor and industrial incomes are high can very easily result in a repetition of the period from 1917 to 1920.

The Farm Security Administration can do a great deal for the lower income groups to lessen the impacts of post-defense through keeping the farmer's operations well diversified, through holding down inventories and debts during the period of high prices, and through building maximum self-sufficiency in all farm families.

It must be remembered that the effect of higher prices on farmers with limited production is entirely different from their effect on large operators. The small operator has a comparatively small amount to sell at any time, and as a consequence the increase in prices for his salable produce does not amount to a large number of dollars. At the same time, his operating expenses are increased because of the increased prices on anything he must purchase. The net income, therefore, of a large number of farm families will be less in this period of higher prices than it was formerly, unless the noncash income of the family is greatly increased.

Farm Security Administration records show that in the past there were many applicants whom this agency was unable to assist. This was due to various causes, among them lack of funds, lack of time, and lack of personnel. In a great many instances subsistence grants were used as a stop-gap to tide these families over. Many of them are still on the ragged edge, and more in need of assistance than ever before. In most cases their resources are very limited, both as to land and chattels. These families require considerably more time and effort than those in more favorable circumstances in the development of their initial plan to substantiate a loan. More supervisory time will be required to get the plan into operation, and the family actually going under its own power. Regardless of this fact, these families must be helped and not left to slip further back and create a far more serious problem than we have today.

In addition to the problems of these families, the Farm Security Administration is faced with two new situations created or accentuated by national defense. The first one of these is the displacement of farmers when defense industries buy good farm lands for the erection of plants. This creates primary displacement of the families living on the area depopulated.

Owner-operators in these areas usually have sufficient funds to go to new locations and purchase new homes. Tenants are less fortunate, and are faced with a serious problem in finding other locations.

Then there is the related second problem—that of the people leaving the land in the defense project and either buying or renting farms from other families outside the defense area. These secondarily dislocated people are frequently much harder to locate and assist than those directly affected.

The problem of primary defense dislocation is not as yet very large in this region; but we do have a much larger and less dramatic problem arising from

the displacement of families by economic forces which are felt in these periods of defense-generated artificial prosperity.

The problem of relocation and readjustment of families directly or indirectly affected by Government acquisition of farming areas for defense industries is distinctly different from the problems brought about by general disruption of economic forces due to far-flung national defense activities. For this reason it seems best to give them separate attention. This statement, therefore, is offered in two different parts.

First, under "Findings of the Farm Security Administration Field Survey," the impacts of the defense program on American agriculture in general will be discussed. Then follows, under "Defense Relocation," a discussion of problems arising from Government acquisition of farm lands for defense.

FINDINGS OF THE FARM SECURITY ADMINISTRATION FIELD SURVEY

In order to determine as accurately as possible the number of farm families being affected by the various economic forces now being speeded up by defense activities, a questionnaire (exhibit 1) was developed and sent to the field. It was sent to each of the 296 counties in the region, and 276 were returned in time for tabulation in this report.

In this questionnaire the most attention was given to families of Farm Security Administration borrowers for the reason that through county offices accurate information could be gathered on the borrowers whereas information on nonborrower families would be more or less estimate and hearsay. This is true because borrowers immediately come to the supervisor with their problems, and the matter of tenure is one of the most serious problems facing Farm Security Administration borrowers today. The farmer who is not a borrower has no one comparable to go to with this problem, and such families will only come to the attention of the Farm Security Administration if they realize that the supervisor may be of assistance to them.

The information on borrower families was broken down into several categories. First consideration was given to those families whom the supervisor knew definitely would be displaced from their present location by the sale of a farm by March 1, 1942. Additional information was taken as to the type of seller and the type of buyer.

Consideration was next given to those borrowers whom the supervisor knew would definitely be displaced by March 1, 1942, through having their farm rented away from them by some other tenant, and several major reasons were classified for this displacement. A final estimate was made on the lag in leasing to borrower-tenants, and an estimate was made of what would become of the families who were displaced following March 1 because of inability to rent a farm.

An estimate was made by the supervisor, with considerable outside assistance, as to the total number of all farm families, including borrowers, who would be displaced by March 1, 1942. As has been previously stated, this estimate is not as accurate as the information on borrowers because of the lack of direct contacts.

Finally an estimate was made as to the number of all farm families who had left the farms for defense employment. No family was listed here unless the entire family had gone to urban industrial activity.

This survey shows that we now know that a total of 1,553 borrower families must leave their farms because the farm has been sold to another owner. This is 4 percent of all active standard borrowers in this region. The number varies by States from 307 in Nebraska, which is 3 percent of the active case load in that State, to 524 in South Dakota, which constitutes 6 percent of that State's active case load.

Unwilling owners

The type-of-seller break-down shows that nearly 60 percent of all farms being taken from Farm Security Administration borrower families have been sold by Government agencies to new owners. Throughout the region insurance companies are generally following the lead of Government agencies. The uptrend in agricultural commodity prices has created the first active market for land that these companies and agencies have experienced since acquiring their land. They are taking advantage of this condition.

It should be explained that these institutions and agencies are unwilling owners of their land. Mortgages were taken on this land with the expectation that the debts would be retired in an orderly manner. It became necessary, however, for the mortgage holders to take the land in lieu of the money.

Restrictions on corporate owners

In addition to this, certain State laws prohibit insurance companies, and in some instances all corporate owners, from holding land for more than a given period of time. In North Dakota insurance companies are not allowed to hold land for more than 2 years after they have acquired title, except through special permission of the insurance commissioner, but in no instance may this land be held for more than 10 years. In South Dakota and Kansas insurance companies may hold land for 5 years, and may have an extension granted by the commissioner of insurance. In Nebraska insurance companies may hold land for 5 years and the department of trade and commerce may extend such period a reasonable time, but not exceeding 7 years.

It has been suggested that a solution to a part of this problem would be national legislation permitting insurance companies, and other investors of funds for large groups of individuals, to hold land as a permanent investment, with such legislation imposing definite control over size of operation and permanency of tenure. These companies are now permitted to own bonds of the National Government, and of States and divisions of States. The only final security back of such bonds is the country's land. Certainly it is not illogical to assume that the land is as satisfactory security for these investors as are bonds—which are actually mortgages on this land.

It certainly seems that legislation is necessary which will establish a uniform policy among Government agencies to permit stabilization of land prices and tenure. Such legislation would alleviate at least 50 percent of this particular problem in this region.

Types of purchasers and vendors

When we study the type of individuals purchasing this land we find that a large percentage of the farms are being purchased by other farmers; almost one-third of these purchases are being made by tenants who are to become owners. This purchase by tenants is much more common in the Dakotas than it is in Kansas or Nebraska. This can probably be explained to some extent by the fact that corporate ownership is much more prevalent in the Dakotas than it is in the other two States, and that these corporate owners are exerting considerable pressure through refusal to lease, thus convincing the tenant that it is necessary for him to obligate himself to a sale contract in order to have a place to live.

Sales contracts

Considerable concern is felt by many interested persons over these land deals on sales contracts because of the fact that it appears that the price being paid for the land is based on 1941 yields and prices rather than on long-time experience. These contracts are drawn in such a manner that a very small down payment is made, with provision that after a certain period of regular payments, including taxes, insurance, and interest on the entire balance due, a deed will be executed and a mortgage drawn. These contracts also provide that if these payments are not regularly met, up to the time of issuance of the deed, possession immediately reverts to the vendor. There is a possibility that these lands are being conveyed under contract, with the vendors knowing full well that in many instances the contract will not be fulfilled. In such instances corporate owners will have the land off their books for 1 or 2 years and can then return it to their books, with no expense of foreclosure, for another period permitted by the particular State's law.

One county supervisor makes the remark that in his county most of the displacement results from present tenants making down payments on more satisfactory units. Since the carrying charge will probably prove to be beyond the normal ability of the land to carry, most of these places will revert to the original owner. Another supervisor states that many of the sales are being made because of better than average yields and prices, and that by letting all other creditors go it is possible for the tenant to make a 25-percent down payment. With the return of normal yields and prices, it is doubtful that the land can carry the charges and meet the costs of necessary repairs and improvements for minimum housing of family and stock. Another statement is that land purchases are being made mostly by tenants seeking homes. These people are not anxious to buy, but are being forced to in order to have places to live. Several supervisors stated that

governmental agencies are the most aggressive of all land agencies in forcing sales of farms.

In this survey consideration was given to the type of purchaser as well as to the type of seller, with particular stress laid on purchasers who were or would become owner-operators.

Regardless of whether the purchaser was buying adjacent land or nonadjacent land, there was certain enlargement of the unit, and it is entirely possible that this enlargement meant either a change from family-type operation to commercial operation or enlargement of a commercial operation. In practically every instance such a purchase means the displacement of families from the farm and sending these families into urban life and factory employment, for which they are not well adapted.

It is also entirely possible that this enlargement of units will cause a serious problem after defense, when large numbers of discharged factory workers will wish to return to the land and there will be a decided lack of units for them to occupy.

The purchasers of nonadjacent lands are, on the whole, probably more insidious than the purchasers of adjacent land. In this class fall the so-called sidewalk or suitcase farmers, whose only interest is in mining the land and getting maximum cash returns for as long a time as such a type of farming will show a net return. When this is no longer possible they will abandon the land for some other family to repair. Some of these men own mobile units, moving their equipment over a territory of as much as two or three hundred miles in radius, and displacing a family from every piece of land they rent.

Many business and professional people are purchasing farm lands with surplus funds as genuine investments. There are also some farmers in this class. This type of purchase, in most cases, does not mean the displacement of a farm family, because these people generally have other occupations and wish neither to reside on nor manage the farms. Such purchases, however, may mean a chance in occupancy due to friendships, relationships, or other reasons.

The final type of purchaser is the speculator who is buying the land only with the hope of a further raise in land prices. Purchases by this type of individual may not cause any displacement of the present tenant, but they do lend to much insecurity and unrest and certainly cause an increase in land prices.

A return to 1917-20 trend

This pressure for land and anxiety on the part of owners to sell, and of non-owners to buy, is a return to the early part of the trend from 1917 to 1920. Unless some rather definite steps are taken to avoid inflation in land prices and to prevent unnecessary transfers, we may see prices as badly out of line as they were in 1919 and 1920, and may again have to go through the same period of foreclosures that we went through in the twenties and thirties.

A question that should be raised in the minds of all peoples interested in agriculture is whether or not we have any right to expect land to pay for itself over and over again. From the standpoint of such a view, land can be considered as a speculative commodity and people will be justified in buying land on a small down payment and expecting the income from that land to retire the mortgage on the land. On the other hand, if land is to be considered as a safe investment, returning interest in proportion to the security, the only sources of debt-retiring income for land, purchased at its agricultural value, must be found in either superior managerial ability or outside income.

Secondary displacement

The next part of the questionnaire dealt with the secondary displacement of Farm Security Administration borrowers. This referred to borrowers losing their farms from causes other than purchase of land on which they were residing. While this is an estimate, it is undoubtedly very accurate because of the close contact between borrowers and supervisors.

This shows that 1,823 borrowers are being displaced due to such causes in the region, which is 5 percent of all borrowers in the region. This type of displacement is heaviest in the State of Kansas, where over 6 percent of the borrowers are being displaced by such methods, and is lightest in North Dakota, where only 4 percent are being displaced for these reasons. Nebraska and South Dakota each show about 5 percent.

(From these two causes of displacement of borrower families from their farms we know now that nearly 10 percent of all active standard borrowers of the Farm Security Administration in this region will be displaced from their farms by March 1, 1942, and a map showing percentage displacement by counties is attached as exhibit 2.)

Increased pressure for land

This type of displacement has been due to three main causes. The first and major cause is the increased pressure for land, due to sale of farms that other tenants were occupying, and these displaced tenants having, in turn, been able to rent farms away from the present occupants. Another type of this same pressure for land is that which results from the large operator continually looking for more land and being able to overbid the present tenant.

Farm Security field personnel have considerable to say about this second point. The consensus is that the tenancy problem will become more acute with good prices and good crops; that large farmers with equipment for large-scale operations are going to push the small farmers out. Prevailing prices of farm produce encourage large operators to expand. During the long period of unfavorable weather conditions those with power equipment have been able to get their crops planted in less time and generally have received better yields and therefore paid better rent. Another reason given is that landlords are not interested in making improvements whereby farm families can establish a home on the average unit. The line of least resistance seems to be to rent to the large operators.

The chief cause of displacement in many counties is the practice of large operators continually looking for more land. Landlords prefer to rent to these operators because they have good equipment and in many instances give cash rent in addition to the share. These landlords, after leasing to such operators, are then free to remove buildings and cross fences. A supervisor in the wheat area says that farms of 1,000 acres and over have increased 50 percent in number and the family-sized farms have decreased; that many farmers are renting additional land, particularly where landlords will not spend money to repair improvements. This short-sighted policy will result in eventual deterioration of the land. This deterioration finally will necessitate returning to family-sized units and a long period of low returns while the land is being rebuilt.

Landlord demand for new equipment

A second reason given for such displacement is landlord demands for a different type of equipment than that possessed by present tenants. During the past drought years landowners were not severely critical of poor equipment and poor care of land and crops, but with the change in the agricultural picture landlords are selecting tenants more carefully. Many are insisting that farmers cannot properly do their work with horses, and have asked them either to purchase a tractor or move. Many tenants have not been able to rent certain units because they did not own a tractor and heavy equipment.

Higher rents

The third main cause for this secondary displacement is farmers competing for a certain farm and bidding up the rent, or landlords increasing the rent because they realize the demand has increased.

A rather general opinion prevails in the field that insurance companies are raising their rents, and there is also quite a little comment on the fact that some insurance companies are insisting that this higher cash rent be paid in advance. The eastern side of the region in particular is being affected by families coming in from drier localities and offering higher rents. One such family bid up the cash rent from \$50 to \$150 for the buildings on an 80-acre farm which, in the supervisor's opinion, cannot possibly carry this higher rental. Rentals on grasslands are also increasing to some extent.

Rental rates prior to this increase were as high as tenants could pay and show any return for their labor. Increase in yield and prices has been largely offset by increased cost of production, and these higher gross returns do not justify any further increase in rental rates.

In the last few years the chief cause of many failures has been the attempt on the part of the tenant to pay too high a rent. Many sound-thinking agricultural people are of the opinion that entirely too much of the farm family's standard of living has been converted into too high a rental.

Lease contract important

The next part of the questionnaire deals with a bad situation in leasing which has caused much hardship and unrest. When a family is unable to secure a lease before January 1 or March 1, and has no assurance that it will be able to lease the farm at that time, necessary fall work in a great many instances is not done. This is due to the unwillingness of the present tenant to do work he feels will be done for some other person. With the individual who is willing to take his chances on staying on the farm and then is forced to move, this work is thrown away. In the majority of instances this also means an actual cash loss to the displaced tenant.

When a move is necessary after March 1, spring work is necessarily very late, and usually results in a certain amount of loss to the tenant his first year on the place.

This delayed leasing breeds restlessness and discontent in families, and brings a general feeling of insecurity and more or less of a "don't care" attitude.

Long tenure is advantageous to both the landlord and the tenant in many ways. In the first place it permits long-time planning and allows both tenant and landlord to know such plans will be carried out. Such long-time planning is necessary to a satisfactory soil-building program, which certainly works to the advantage of the landlord as much as to the tenant, and will not be properly done unless the tenant knows that he has a sufficient length of tenure to permit him to realize the benefits of his labors. Long-time leasing encourages the family to keep up buildings and surroundings. It permits the families to develop a feeling of permanency and lets them realize the truth of what one poet so aptly stated: "It takes a heap o' livin' to make a house a home."

Actually, ownership in itself is not so important as permanency. Its contribution to permanency is important. Large numbers of tenants realize that the net return to the landlord is not a very large percentage on the investment in the property. They feel they are probably better off paying the rental rate on the land and providing a satisfactory living for themselves than they would be as owners diverting a considerable part of the income, which now provides that standard of living, into payments on the land. They only feel this way, however, when they know that they can stay on this farm as long as they do a satisfactory job. When landlords and tenants can both be made to realize that permanency is one large factor in returns on land, much of our problem of tenant migration will be solved.

Drive 700 families to relief

A further study was made in connection with these borrowers who will be unable to secure leases for 1942 to ascertain the number who will stay in rural communities and need relief, and the number who will go to urban communities and, of these, the number who will need relief. This survey shows that the relief rolls in these four States will be increased by approximately 700 families due to displacement of tenant farmers who are now borrowers of the Farm Security Administration.

The Farm Security Administration could take care of all of these families and assist them in becoming self-supporting if land were available for them. This would not only mean an actual dollars-and-cents saving to the country in relief money, but would also mean the building of much better morale in the families, and particularly it would mean building in the children of these families a better outlook on life.

Lack of housing is obstacle

Probably one of the biggest obstacles to the Farm Security Administration performing such a task is the matter of rural housing. There would be ample farms available if they were provided with suitable housing for families and livestock. There is a very real necessity of a rural housing program which must come eventually and the sooner such action is possible the fewer families will have to go through a very trying time off the farm before they can be returned to the land.

Such a program may necessitate the Government owning the buildings on the land and collecting rental for these buildings directly from the tenant in payment for building occupancy. Such a program could immediately make many

more farm units available and could largely pay for itself by reduction in rural and urban relief loads. The Government could require certain leasing concessions which would lend themselves to permanency and would greatly alleviate tenant migration. A program of this type would considerably accelerate the soil conservation program; and while we are considering soil conservation let us also consider the enormous amount of soil conservation that could be accomplished in these families.

Supervisors have a great deal to say in their remarks on the matter of housing. One general statement is that buildings have been torn down to reduce taxes and cost of upkeep; that housing is a serious problem on many farms and present owners are not in a financial position to repair or replace necessary housing facilities. During the drought and depression years many abandoned farms were pilfered, which led landlords to sell buildings in order to avoid a total loss. These farms are now without headquarters, which is resulting in a lack of home sites for available land. If the Farm Security Administration could finance the construction of moderately priced farm buildings, much could be accomplished in holding down the cost of improved land; and the displacement of families desirous of continuing farming could be avoided.

In considering all farmers in the region, including Farm Security Administration borrower-families, it appears that there are over 10,500 farm families who will be displaced from agriculture in these 4 States by March 1, 1942. This is nearly 7 percent of all tenants in the region. The numbers of all families being displaced are higher in Kansas and Nebraska than in the other 2 States, but the percentage is about the same for all 4 States. A map showing this percentage distribution is attached to this testimony as exhibit 3.

The reasons given for the displacement of borrowers are all applicable in the case of all farmers, and in all probability in a magnified degree because of poorer equipment and financing.

Housing would facilitate rehabilitation

It must be realized that if these people, who are not now borrowers of the Farm Security Administration, could have held their units regardless of how small, the Farm Security Administration could have assisted them in obtaining the equipment and livestock necessary for a good living. The supervision given by the Farm Security Administration would have eventually assisted these people back on their feet, and made satisfied constructive citizenry of them.

Present standard borrowers are not so severely affected by this pressure for land as are applicants for loans and young couples with farm background desiring to start farming. With these families gone from the land, and with the buildings torn down by the landlord because he can show an immediately higher net return renting to the large operator who has no need of buildings, the problem of the Farm Security Administration is eventually going to be much larger. This is true because these families are finally going to have to return to the land and be financed for complete equipment. The sooner some method of Government financing or subsidy of needed farm buildings can be put into effect, the more satisfactory our answer to this³ problem will be.

Migration from farm to defense industry

In many instances individuals from farm families are leaving for defense work, but the family itself is remaining on the farm. This number is much more pronounced, of course, near factories than at greater distances. Our interest, however, lies in the number of whole farm families that have left farming for work in the defense industries. Only those cases where the entire family has left the farm for defense work were listed in the questionnaire.

There seem to be two general motives back of this movement. The most predominant condition is that in which the family has been forced from the land and must find another means of existence. They do not care for factory work and would much rather stay on the land but they have no alternative. The second general cause is the lure of high wages afforded to the family that has no knowledge or realization of the money requirements they will have for commodities formerly produced by them on the farm. They fail to realize that they will have little or no more net return from these high wages than they have previously experienced on the farm. Both of these motives undoubtedly affect the low-income group and the tenant more than they affect the high-income group

and the owner. The immediate benefits to the family forced from the land are satisfactory, insofar as they provide a means of livelihood which has previously been taken from the family. Whether or not general results will be satisfactory to the second group or to the entire number, in the long run, depends largely on how high living costs go in relation to wages.

One group that is realizing real benefits from this defense work is a small group farming near defense industries where one or more members of the family are able to work temporarily in the defense industry for relatively high wages, while the family still remains on the farm.

Eventual return to the farm

A large percentage of all farm families going to defense industries will return to agriculture sooner or later, because they are not accustomed to this sort of life. The older people in particular will be very dissatisfied. Numbers of the younger people will see that they have sacrificed most of their independence in going into industrial activities, and will desire to return to the farm where they can have their own businesses and be their own bosses.

Eventually defense activities will cease, or at least greatly lessen. When this time comes, large numbers of workers will be dismissed from their jobs; will have no other possibility of income in urban areas, and will look upon return to the farm as their only means of securing a livelihood. There will be large numbers of these people who will have been away from farms for a good many years. Because they will have been willing to stay in industry they obviously will have had no particular desire to continue in agriculture. The only source from which the vast majority of these people will be able to obtain help will be the Farm Security Administration. In addition to credit they will be very greatly in need of the supervision of the Farm Security Administration because of changes in methods and practices, and because of disappointment and loss of morale.

Farm Security Administration should be ready

To place itself in the best possible position to meet these approaching conditions effectively, the United States Department of Agriculture, through the Farm Security Administration, should anticipate the emergencies that will arise. The Farm Security Administration should incorporate preparatory action in its program at once, in order to be absolutely ready for positive action when the return movement from defense industry to farm begins. Specific provisions should be made for acquisition of suitable land and homes, by long-term lease or purchase, to be made available for those returning to agriculture or to those who otherwise will be displaced by that mass return. Farm Security can foster and develop means for this purpose in various ways, including establishment of cooperative leasing associations, land tenure improvement groups, surveys to find available farm homes, rural-housing programs, other kindred resettlement measures, and expansion of present resettlement facilities.

National defense and the Farm Security Administration program

Insofar as we are able to determine, the defense program has not, as yet, had any great effect upon liquidations of Farm Security Administration borrowers. Referring to exhibit 4, the comparison of the first 3 months of the fiscal year from July 1, 1940, to October 1, 1940, with July 1, 1941, to October 1, 1941, discloses a rapid rise in the number of liquidations that have paid in full. While this is an increase of nearly 600 percent in voluntary liquidations that have paid in full in this region during this 90-day period, actually it is less than 150 cases.

This number could very easily be accounted for by liquidations of borrowers who are in fairly close proximity to defense factories. It should also be remembered that quite a number of these liquidations could be accounted for by factors not under control of the borrowers, rather than a desire on the part of the borrowers to leave agriculture and go into industry. One such situation called to our attention is of a family operating a dairy farm, paying \$600 annual cash rent for 120 acres. The landlord raised the rent from \$600 per year to \$1,000 per year. He gave as his reason for this rental increase the fact that it was possible for him to rent the house for \$75 per month because of the nearness of the place to a defense plant, and that in addition to this he could rent out the

land for the usual share rent. He, therefore, did not feel that he was unreasonable to ask \$1,000 per year for the buildings and land. This family did not wish to give up its agricultural enterprise, but was forced to do so because of the high rent cost.

While we have had the above-mentioned change in voluntary liquidations that have paid out in full, there has been no appreciable change in other types of liquidations; although the average amount of repayment has shown some increase due to better agricultural prices.

The total number of liquidations approved has also shown very little total change for the 90-day period. There has been, however, a rapid rise in this number during September, most of which is accounted for by the voluntary liquidations which have been paid in full.

Referring to exhibit 5, and combining new loans approved with liquidations closed, we find a small net loss in case load from 1940 to 1941, in each month of this 3 month period. This is due to a small decrease in liquidations previously mentioned and a net decrease of 305 cases is shown for the entire region in the 3-month period.

The question is immediately raised as to whether or not defense employment is causing this decrease. As this condition is so extremely limited to Kansas, and as all of the defense industries in this region are at present located in that State, we believe that there are some effects being felt in the neighborhoods of defense industries.

Supervisors over the entire region are of the opinion that very few families are leaving farms to go into defense industry. However, some supervisors in Kansas express the opinion that 75 cents to \$1.50 per hour is very attractive to persons accustomed to a dollar a day, and even that available only when they could find occasional jobs. Four Kansas supervisors report fairly large numbers of farmers leaving agriculture for defense industries, and these four supervisors all have defense industries located in their own or adjoining counties.

Reports in other States are largely to the effect that only farm boys and farm laborers are leaving rural communities for defense industries, and that in some localities this may cause a shortage of farm labor; but the bulk of the opinions seem to be that there is no great amount of interest among farmers in defense jobs. Much greater interest is being shown in remaining on the farm to take advantage of higher prices for farm produce.

Concerned with general defense impact rather than case load

Rather than being concerned with the immediate measurable change in net case load, the Farm Security Administration is much more concerned with the broader aspect of the effects of defense on the great mass of low-income farm families.

There are large numbers of farmers who are in need of more livestock if they are to be able to survive in agriculture through the defense period and to face the impacts following defense. This is particularly true because the rapid rise in cost of producing cash grain crops as compared with the returns from such crops leaves the farmer little or no net return. On the other hand, if he has sufficient livestock to consume feed produced on most of his acreage, and in this way markets his crops through livestock and livestock products, prices on this type of production are such that he is able to show a net return. Large numbers of farmers who will find themselves with little livestock have no other source of credit than the Farm Security Administration and must obtain necessary financing from this agency. In addition, large numbers of these people have had little or no experience in handling livestock or livestock produce, and if they are to make a success of such an enterprise, they will have much need for the supervision that is furnished by the Farm Security Administration.

There is another group of individuals who, through continued moves as tenants, or through being forced to purchase land in order to stay in agriculture, have so depleted their livestock and equipment to raise cash, that they must have this equipment and livestock replaced in order to continue farming. Many of these farmers are in such a credit situation that the Farm Security Administration is their only credit source, and unless the Farm Security Administration is in a position to assist them, they will still be forced from agriculture after spending all their resources in an attempt to continue in this way of life.

Emphasize rural housing

May we call attention again to the extreme need for a rural housing program and for the inception of that program at a very early date, if we are to keep large numbers of these families in agriculture rather than let them migrate to an urban life for which they are so ill-suited. Unless such a program is instituted without delay, there is danger of the "Food for freedom" program running into serious difficulties. This is because large operators cannot possibly meet the demand for the foods needed, particularly milk and poultry products, as can the family type farmer.

Direct dislocation

There is another problem of the Farm Security Administration which has been generated by defense, and has not as yet proved so serious in this region. However, as time goes on this probably will become continually more serious because of location of defense industries in this area. This problem is the dislocation of farmers from their land by defense industry and the consequent necessary relocation of these families. This problem presents many difficulties because of the rapidity with which people are evacuated from the defense area and the consequent necessity of extremely rapid relocation; this latter being greatly magnified by the enormous pressure for land.

There is also necessity for developing small acreages in defense areas for food production for the families actually engaged in defense industries. If these families had plots of ground sufficient in size to produce at least their vegetables and poultry products, it would mean the release of a great deal more food for export and Army use, and would prove of great assistance in holding down prices.

Possibilities of tenant purchase program

There is also the possibility that the tenant purchase program should be greatly expanded to assist in the relocation of families, particularly tenants, moved from defense areas. This program is now on its fifth year, and up to this year there has been no difficulty in securing farms for which funds were available. Of course, the program is limited, inasmuch as a total of only about \$8,000,000 has been used so far over that period of time, covering approximately 940 loans, or only one-third of 1 percent of all the farm units in this region.

A summary of records indicates that the price per unit has not materially changed, as the average price per unit for 1939, 1940, and 1941 is about \$8,500 each year. It should be said in this regard that it has been necessary to do considerable shopping, buying from estates that are forcing liquidation and finding individuals who are in need of ready cash in order to hold this price per unit in line during 1941.

The number of applications has been fairly consistent from year to year, based upon the number of counties selected for the tenant purchase program. Although operation thus far in 1941 indicates a smaller number of applications per county than in the previous years, this can be explained by the fact that 29 new counties were added, which is the largest number of new counties in this region in any one year. It is apparent that there has been a fairly consistent relationship between the number of applications and the number of loans approved, and all the funds made available have been used.

To what extent land prices in general are advancing cannot be determined before the 1941-42 program is completed, but it can be stated that indications are toward some increase in land prices. The field reports that it is now more difficult to obtain satisfactory units within the same price level than it was in previous years. There have been several instances where the vendors are willing to pay premiums for the cancellation of options taken, and vendors are more ready to revoke options at the time of expiration than in previous years.

Rehabilitation loans, repayments

Referring to exhibits 5 and 6, we see that new loans for rehabilitation purposes have progressed at about the same rate through the 6-month period from April 1 to October 1 for both 1940 and 1941. On the other hand we see that repayments have shown a very considerable increase. This increase in repayments has been due to several factors. In the first place it has been due to much higher yields of salable crops over the entire region than have been experienced in a good many years. Secondly, due to better crops, it has been possible for families to

retain more livestock, to put them to higher weights before marketing, and as a further consequence, this has meant a considerable increase in the amount of livestock for sale. In the third place, much better prices have been received for both crops and livestock than have been experienced in a good many years. Such a condition is to be expected and merely represents an average of the poor years with the good. If better prices are experienced for a time, it will mean that over a 15- or 20-year period these people will show an average return in both yields and prices.

Most of the increase in repayments is from borrowers who have shown a normal rate of increase in repayments proportionate to the increase in prices for commodities, as well as a normal increase in production of livestock and livestock products due to increased inventories and improvement in quality plus better results from more feed, and possibly a small amount of surplus grain for sale. There is another group of borrowers who have had a bonanza in the high grain yield plus a high price for this grain, and are paying their loans in full. The first type mentioned represents a vast majority of the borrowers who, in all probability, will go ahead with some better-than-average and some poorer-than-average years, and eventually become rehabilitated. The second group, however, have made this rapid rise on speculation and will sooner or later experience the opposite and lose their all on speculation, and be back to the Farm Security Administration to give them another start.

In this second group the supervisor has not corrected the errors in the methods of operations of the families. In general they are not capable managers, particularly of money. Unless supervision is exercised until such time as these people realize how income must be handled, their increased incomes, particularly sudden large increases, are only temporary aids to them, and will lead to the accumulation of debts which cannot be repaid under normal conditions. The Farm Security Administration has definitely proved its ability to train families to overcome this weakness, and these sudden large incomes merely mean a setback to the rehabilitation of these families.

Where sufficient supervision is given low-income families, so that debts are paid rather than incurred in periods of high prices, self-sufficiency is improved and increased, even though cash income is showing an increase, and families are made to realize that periods of high yields and high prices are only peaks to be followed by valleys that make up the general average. This period of high prices, generated by defense, can be of considerable benefit to low-income farmers, especially, through supervision, they realize that periods of low prices inevitably must follow.

On the other hand, where supervision is lacking debts are incurred rather than paid. These debts are incurred through buying of land, obtaining more machinery than is definitely needed, purchasing livestock above subsistence and operative needs, and spending a great deal more on family living and nonessentials than would ordinarily be done. This practice of going into a general expansion in an inflation period, on credit which will eventually have to be repaid with cash obtained on much lower commodity prices, can only result in final disaster for the family.

Make tenure possible

If the Farm Security Administration is to alleviate many of the difficulties being experienced in low-income farm families due to defense, there must be a program that will definitely prevent any family wishing to stay on the land from being forced out of agriculture.

Census figures show that in the period from 1935 to 1940 there was a reduction of 11 percent in the number of farm families in these four States and with the increased pressure due to defense this reduction percentage will probably be considerably increased unless some very definite checks are developed.

Probably the first step in such a program would be the matter of rural housing. The lack of farm buildings, the poor condition of a large number of sets of buildings remaining, and the financial inability of landlords to replace or repair these buildings has already been discussed in this report. The desirability of Federal action to replace or repair these buildings has also been discussed. Too much stress cannot be placed on the necessity of immediate action on such a program.

A second equally important step is the necessity for limitation to be placed on the acreage that can be operated by any one family in a given type of agriculture. Such limitations could be made a part of the present agricultural programs. Federal legislation should be enacted to put a stop to the "land hog." He is continually crowding families from land that would supply them

with a satisfactory living into a situation where their sources of livelihood are very meager at best.

The fact should be mentioned that moves are often forced upon farm families on short notice. When these moves are caused by location of defense industries in more or less thickly populated farming areas, they increase the hardships in proportion to the numbers of families involved. This same mass effect is also applicable to the task of the Farm Security Administration in the relocation of these families.

Consideration must be given, too, to matters that will arise in the after-defense period. Closely related to these matters is the selection of locations for defense industries. If these projects can be located and built with a thought toward decentralization of industry after defense, it will be possible to work out a combination of industrial work and part-time subsistence farming for a large number of industrial workers. Otherwise, these workers with part-time employment will be concentrated in large urban centers, and their living level necessarily will be extremely low and unsatisfactory.

DEFENSE RELOCATION

Displacement of farm families as an immediate result of the defense program has only recently been felt in this region.

First to be affected were 255 Kansas families who were farming the 50,000 acres now being acquired by the Government for extension of Fort Riley and for a shell-loading plant near Parsons. It is understood that Government land acquisition will also begin soon in connection with a bomb-loading plant near Wahoo, Nebr.

Worries of settlers

Early in the relocation program, prior to the dates originally designated by the War Department as evacuation deadlines on the two Kansas areas, the settlers called meetings to discuss their various situations. At these meetings they collectively brought out and aired many of their relocation worries. A list of the things that troubled the settlers' minds is recorded here; although most of them are discussed at other points in this statement, not as worries but as actual problems with which we are dealing.

Settlers gave first emphasis to social readjustments that would be necessary. They felt utterly lost because they did not have much idea, then, where they would go. They thought of uprooting families and breaking neighborhood ties, of school changes for their children, of church affiliations, and so on.

The landowners were confused on the point of what they would get for their land. Tenant farmers wondered what they would salvage out of their past years of labor. They were concerned about saving and handling their crops and livestock.

Farmers did not know when they would get the money from the sales of their farms.

The problem of livestock and feed loomed large. They didn't know whether they should sell their stock or keep it and take chances on finding temporary quarters for it.

Landowners had a feeling that when the time came to reinvest in other farm land, after having sold theirs to the Government, they might have to pay more than they would receive.

It was impossible to go ahead with proposed land deals when they did not know what their current equity would amount to. The loss of credit, built up through years of residence in their neighborhood, was a frightening possibility to be reckoned with when they moved to other places. They wondered if their banks, for instance, would insist on settlement of all debts when and if they left the neighborhood.

Finally, they were confused because the Government's methods of acquiring land seemed to them to vary from time to time and from place to place.

These were the worries of the settlers last summer. Now, this statement will go ahead with current facts and proposed activities.

Initial steps

The Farm Security Administration is taking an active part in resettling displaced farmers from both Kansas areas, through the Kansas Defense Relocation Corporation. The initial step was the making of a survey in adjoining counties

of farms available for rent on either a temporary or permanent basis and of all vacant farmsteads that could be occupied until March 1, 1942. Every farm family in these two Kansas areas has been offered a temporary location, for the most part consisting only of buildings and pasture.

Average price being paid by the Government for the 50,000 acres in the two Kansas projects is slightly less than \$10. Price per acre for the anticipated 23,000 acres the ordnance plant near Wahoo will require will probably be considerably higher because of higher quality of the land.

Land acquisition

Insofar as possible the land is acquired after appraisal by direct purchase by the War Department. Where, for various reasons, such as refusal of the owner to accept the price offered, or necessity of quieting titles, it is impossible to acquire the land by direct purchase, condemnation proceedings are instituted.

Naturally, there has been some delay in payment due to the large volume of work going through the finance office of the War Department, as well as all other defense agencies. This has caused difficulties due to farmers having to move from the area before they receive any payment on their land. Some owners, who had made a small down payment and had an option to purchase farms elsewhere, have not received payment for their former farms at the time the options expired on the new farms, and in some instances have lost the down payments or have had the prices of the new farms raised. Farmers who were not sure of the amount of equity they would get, due to the condemnation proceedings, had difficulty in purchasing a farm because they could give no one definite assurance that they would be able to pay for the new farm.

At Fort Riley there has been considerable dissatisfaction among the land-owners due to what appeared to the owners to be inconsistency in appraisal of the land. Appraisers worked separately and the owners thought they had different ideas of land values in this area. This dissatisfaction is evidenced by the fact that approximately 65 percent of the land in the area is being acquired by condemnation proceedings.

In the Parsons area approximately 70 percent of the cases were optioned; the other 30 percent represent families who were either not willing to option at the price offered or cases where it was necessary to condemn in order to clear title.

Tracts and families involved

In the Fort Riley extension 195 tracts comprising approximately 32,000 acres, are being acquired and in the Parsons area 154 tracts, comprising 17,200 acres, are involved. All of the farms in both areas are of a general diversified type. In the Parsons area it is estimated that 75 percent of the total purchase price will go to owners of the farms and about 25 percent to mortgage holders. In the Fort Riley extension it is impossible to make an accurate estimate of what percent of the purchase price will go to owners, because such a large number of the farms are being acquired under condemnation and it is not yet possible to determine what the purchase price will be.

One hundred and twenty-five families, comprising 417 individuals, are being displaced from the Fort Riley extension, and 130 families, comprising 318 individuals, from the Parsons area. This means a total of 255 families, with 735 members, are being displaced from their homes. It is interesting to note that the average size of these families is 2.9 persons, which is approximately 2 members per family less than the average size for Farm Security Administration rehabilitation borrower-families in this region.

In the Fort Riley area 41 percent of the land was operated by owners, 10 percent by part owners, and 49 percent by tenants. In the Parsons area 48 percent of the land was operated by full owners, 8 percent by part owners, and 44 percent by tenants. This represents about normal distribution between owner and tenant operations for this part of the State. There are more than 100 families in these two areas that are in more or less serious trouble in finding new farms, since tenants are the type of operator having the greatest amount of difficulty in relocating.

Secondary dislocation

Immediately upon evacuation of an area of this type, new problems develop in the matter of secondary dislocation. That is, families going from the area into other sections of the country to find new locations will, in many instances,

dislocate other families more or less distant from the area. This type of dislocation is continually passed on until some poorly equipped low-income farm family is forced from the land.

Some of the farms purchased by dislocated owners were unoccupied and will result in no further dislocation. In a few cases farms purchased for defense in the area and farms purchased by families displaced from the area are purchased from older couples wishing to retire, so that no harmful displacement results.

It is impossible, at this time, to make an accurate estimate of the total number of farmers that will finally be displaced by this secondary dislocation. To date a quite accurate estimate would be approximately 60, of which 40 have been displaced by purchase and another 20 by leasing of the farm they now occupy. Final results of this secondary displacement will not be known until March, which is the usual time farms change hands in this part of the country.

New farms purchased

Thus far, 18 former owners in the Fort Riley area have been able to purchase new farms, totaling 700 acres less than the farms they occupied in the area. This is an average of approximately 40 acres less per family and probably is not a serious reduction in size of farm. It must be remembered, however, that there are 37 former owners in this area still unable to find new locations of any type. Only 2 tenants in this area have been able to relocate and they are farming 100 acres less per family than they had, which is a serious acreage reduction for these two families. These families represent only 4 percent of the tenants in this area who have been able to relocate as against 33 percent of the owners.

In the Parsons area 32 former owners have been able to buy new farms with an average reduction in size of 50 acres per farm. As the owner families only average $2\frac{1}{2}$ persons per family, and the average size of the new farm is nearly a quarter section, these new farms are undoubtedly still family size farms. Only 7 of the tenants have been able to relocate with an average reduction of 27 acres per farm. These tenant families average $3\frac{1}{2}$ members and were on less than a quarter section per family in the old location. Hence, this acreage reduction is rather serious and may mean that these families are on less than family size farms. While nearly 50 percent of the farmer owners have been able to relocate from the Parsons area, only 13 percent of the tenants have, so far, been able to find new locations. It is very evident that tenants are having much greater difficulties in relocation than are former owners.

Of the balance of the families displaced from the area, 29 families in the Fort Riley area and 25 families in the Parsons area are still looking for farms. Fourteen families have definitely decided to discontinue farming in the Fort Riley area and 27 families have given up farming in the Parsons area.

There are 35 working heads in these families now employed, and 8 unemployed, and 6 additional members of families are employed. A large amount of this employment is in defense work of various types. Both corporate and private employment have absorbed a small number of these people, and there are a few working as farm hands. The type of employment is about evenly divided as to temporary and permanent.

Six of these families are receiving direct relief, 6 are receiving old-age benefits and 51 families have received grants from the Farm Security Administration.

Adjustments in livestock

A rather drastic culling of livestock on hand has been necessary in most cases, due to reduction in size of operations and in many instances to inadequate buildings on the new farm. In general, however, it has not been necessary for these people to change their type of farming. As a rule people who have relocated report getting somewhat better land than they had in their former location.

Practically all of the families will be rather seriously handicapped in their new locations by lack of feed for the coming winter. This shortage is largely due to the time of moving, which gave operators no opportunity to raise and harvest forage crops or the more staple feed crops.

Social adjustments

Probably the greatest handicap to the people moving from the areas is social, due to the fact that many have lived on the same farms all their lives. These are very old communities in which there was a minimum of rural migration.

Many of the owner-operator families were the second or third generation on the same farm, and a large percentage of the share renters have been raised in the community and were renting from relatives or friends whom they had known practically all of their lives. It is the breaking of these neighborhood ties which has caused the greatest amount of discontent among the families.

Both of these areas were rather thickly settled and the removal of approximately 50,000 acres from agricultural uses means a greatly increased pressure for land. Owners have decided to sell rather than continue to rent their farms, and in cases where it is still possible to rent, the rent share has been increased. This same pressure for land is reacting against the former owners attempting to purchase in much the same way, in that vendors are increasing the prices considerably above the true agricultural value.

The many families, who are unable to purchase or rent farms, are being relocated in temporary quarters. These quarters for the most part, consist of vacant farmsteads on farms operated by large operators.

Defense relocation corporation

The Kansas Defense Relocation Corporation is an acquisition agency, endeavoring at the present time to purchase family sized units for the purpose of resettling displaced families. These units may be either sold or leased to the displaced family by the corporation. If sold the repayment schedules will be over a sufficient period to allow the family a satisfactory standard of living; if rented the rent will be on an equitable basis.

Every effort has been made by the corporation to select farms at reasonable prices that will pay out satisfactory over a term of years. The corporation has guarded against the purchasing of farms that would displace other permanent tenants.

Farm Security Administration grants and loans

In many instances it has been necessary for the Farm Security Administration to give grants to permit people to move from the defense area to their temporary locations. The general attitude of the community, however, has been against grants. Very few loans have been made up to the present, because of the impossibility of developing farm plans for loans on temporary locations. Doubtless more grants will be needed in moving these people from temporary to permanent locations, and because of the complete lack of income and expense involved on temporary locations, subsistence grants may be needed during the winter. Large numbers of loans will be necessary to establish these people on their permanent locations.

Land pressure and housing

The necessity of moving these families from the defense area into new locations magnifies all of the points developed in the previous section regarding pressure for land, and because of all these various obstacles great difficulty is being experienced in relocating these families moved from the defense area. These difficulties will in all probability increase instead of being mitigated.

There has been no demand for housing of workers in the Manhattan area, but in the Parsons area there has been a considerable shortage of housing for them, and the Farm Security Administration has been called on to alleviate this situation.

Trailer camp

Tentative plans have been made by the Farm Security Administration to establish a trailer camp of sufficient size to accommodate a maximum of 500 trailers. This camp is to be established on a 40-acre tract on the outskirts of Parsons, Kans. It is planned to place 100 trailers on it at the outset, and increase the number as circumstances demand. It is necessary to construct a sewer line and water line to connect with the city lines approximately one-half mile from the camp site. The site has entrances on two highways and roads will be built and graveled within the camp to facilitate the placing of trailers.

According to present plans construction work for this camp will begin about December 1, 1941 and should be completed by January 1, 1942.

The bureau of agricultural economics and the extension service of the Kansas State Agricultural College were of great assistance in making the initial sur-

veys of the areas and have continued to lend their assistance in every way possible since evacuation of the area, both in bringing farmers in contact with the Farm Security Administration and in assisting in finding permanent farms for dislocated families.

Problems will develop

The full effects of defense dislocations have not yet been felt by the Farm Security Administration offices in the counties in which the areas are located and in surrounding counties. As permanent locations are found for dislocated families now in temporary quarters considerable work will be involved for the county Farm Security Administration personnel both in assisting families to move to their new locations and in providing them with the livestock and equipment necessary to resume normal agricultural operations. Probably the most serious effect to be felt will be when present borrowers are affected by secondary and following displacements. In any period of severe stress the final blow lands on the low-income families and undoubtedly many Farm Security Administration borrowers in counties quite a distance from these areas will be the families finally displaced.

Another serious effect on the Farm Security Administration program is that extreme pressure for land is a very serious set-back to the present leasing program. The landlord has the commodity in the greatest demand and can pretty much dictate the terms on which he will lease his land. Farmers who are extremely anxious to settle will accept almost any lease terms in order to have a farm.

The Farm Security Administration probably has sufficient funds with which to meet this emergency, but considering the large number of families to be helped and the large amount of searching to be done to find locations for these families, personnel will probably be somewhat inadequate.

CASE HISTORIES OF AGRICULTURAL DISPLACEMENT—GENERAL

Cavalier County, N. Dak.

The family, with seven children, has farmed for 23 years and in 1930 lived on a 280-acre farm in Pembina County, for which 100 acres were cultivated and the balance hay land and pasture.

The family was displaced because the owner returned to his adjacent farm and his renter moved over to this family's farm, displacing the family to another farm of 160 acres of poor soil.

They again moved to a 320-acre farm owned by the Farmers & Mechanics Savings Bank of Minneapolis, on which they resided for 5 years. In 1938 they moved to their present farm and in 1940 the owner decided to rent the cultivated land to her nephew who lives nearby. The family has lived in the buildings, for which they pay \$35 cash rent per year. They have obtained another 100 acres for pasture at a cash rental of \$35.

The family has very few resources left after a migration from farm to farm over the past 23 years and at the present time find themselves, due to turn of economic circumstances, unable to continue further.

Divide County, N. Dak.

This man and wife, with their four sons and three daughters, farmed in Divide County for the past 15 years as tenants. Their farm consisted of 400 acres and has been operated by this family for the past 3 years. The farm buildings were far from satisfactory, although he was able to keep things in fair repair. It is principally a cash crop farm. As crop conditions improved the rent shares were increased to the point where he felt he could no longer operate this farm. It will now be operated by the landlord with hired labor and equipment.

The family has attempted for some time to secure another farm and when unable to do so ceased farming and went to the State of Washington, where he now works as a common laborer. This means seven children will grow up with an insufficient diet and very meager opportunities, rather than a satisfactory living and a wholesome outlook on life.

Emmons County, N. Dak.

This couple and infant son have resided on their present farm for 1 year. The farm consists of 320 acres well diversified.

They have made considerable progress; improved sanitary conditions and facilities and added productive units on the farm with the hope that eventually they would be in a position to purchase it for their own home.

In September 1941 a brother-in-law of this man bought the farm and the family is now forced to move. To date they have no other farm in sight and their plans for the future are very indefinite.

Grand Forks County, N. Dak.

This family consists of a man and wife and four children. They have operated a rented farm until last spring when their farm was rented to a neighbor who was already operating a suitable unit.

The family had made satisfactory progress, having eliminated the necessity of receiving grants to balance their farm and home operations—which were necessary during the early period of their loan. The family has established a high degree of self-sufficiency and were receptive to guidance and assistance that was available for them in their program of rehabilitation.

However, because land resources are no longer available to the family they have lost the opportunity to continue their rehabilitation progress. The plans of the family are very indefinite and they have no prospects in sight for securing land.

Grant County, N. Dak.

This family consists of father and mother, a daughter 2 years old and a baby 6 months old. They are farming 800 acres; 145 acres in crop, 154 acres idle, 500 acres in pasture.

The family has resided on this farm since 1940, having previously lived with the wife's parents. Recently he was notified by the Federal land bank, who had acquired the farm by foreclosure, that this farm had been sold and that the family must vacate.

This farmer has attempted to locate a farm but has been unsuccessful. He has contacted the county Farm Security Administration office and asked permission to hold a public sale to liquidate the loan made by the Farm Security Administration.

McIntosh County, N. Dak.

This 29-year-old couple and four small children are farming 320 acres, principally a grain farm; very little pasture. They have lived in the community 10 years and on this farm for 3 years. The farm was owned by the Bank of North Dakota.

The supervisor states that the selling price on this farm had once been placed at \$1,500, was raised to \$2,600 last year, and this year commanded a price of \$4,000, being purchased by a well-to-do neighboring farmer with sons and sons-in-law. Incidentally this farmer has purchased six farms over the past 5 or 6 years, and purchased this farm at a \$4,000 cash price. The family was apparently making fair progress and it appears that they will be forced to liquidate their loan, inasmuch as no farm can be found. It appears that this family's plans will be to move to town and secure day labor.

McKenzie County, N. Dak.

This family consists of husband, 60; wife, 58; sons, 20 and 18. The 20-year-old son is working for the Work Projects Administration in Watford City. The 18-year-old boy is interested in farming. The family is farming 840 acres owned by a banker.

The father obtained a loan from the Farm Security Administration for the purchase of 8 milk cows, 140 ewes, work stock, and equipment. The borrower's original land was purchased by the Land Use Division and, in the absence of being able to secure another farm, was forced to lease a farm from the banker, the farm which he now must relinquish because of sale. The present farm was sold by the landlord, and the tenant was compelled to either lease another unit or liquidate. Because of difficulty in obtaining a unit he has liquidated his loan.

Rolette County, N. Dak.

This farmer, with his wife and five children, has operated for himself since 1911. The first farm they rented 7 years, the second for 17 years, the third for 4 years, and the fourth farm, from which he must now move, 1½ years. The last farm is 160 acres. This farm has been sold to a local farmer-operator, who has bought it for a home.

The family has no definite plans for the future. They are looking for vacant buildings in which to reside through the winter. It is probable that this family will have no place to go and will ultimately be a public charge.

Stutsman County, N. Dak.

This couple and their four small children lived on the farm where the father was born, having been there for the last 5 years. Previous to that time they lived in town. The farm consists of 389 acres and was owned by the Federal land bank. It was sold to an investor and in the opinion of the supervisor, a speculator, for a consideration of \$1,200. It was very difficult for the family to leave this farm inasmuch as it was the borrower's original home and was the original home of his father. The family had made excellent progress operating the diversified unit in accordance with the rural-rehabilitation program, and contemplated making application for a tenant-purchase loan when they established themselves sufficiently to be in a position to carry the added debt.

On October 7 this family was forced to hold a sale due to the fact that they were unable to secure any other farm. This sale retired their Farm Security Administration loan in full and left a balance of \$1,000 for the family.

They plan to go to Washington, where the father will seek employment in a sawmill.

Towner County, N. Dak.

This family consists of man and wife and four small children. Prior to 1940 he operated as a farm laborer and trucker. In 1938 the family received \$100 direct relief from the Public Welfare Board, in 1939 they received \$20 relief, and in 1940 they received \$90 in grants from the Farm Security Administration which carried them through until their farming operations were producing a living.

Since 1940 the family has farmed a 320-acre unit owned by the Burlington Savings Bank, of Burlington, Vt. They have made suitable progress and were making orderly repayments on their Farm Security Administration loan.

In the fall of 1941 the farm was sold. The new landlord has had the pasture on the place plowed up and has refused to rent the farm to this man. The family was unable to find a farm and held a sale on September 25, 1941. They are now living in two rooms in the city of Cando and have no prospects of obtaining better quarters. Not having any resources, it appears that this family will remain in town and will have to resort to Work Projects Administration or direct relief due to a lack of farm.

Ward County, N. Dak.

This man and wife and their seven sons, farm 370 acres that was a part of an 800-acre unit owned by the Federal land bank. The family moved to Ward County from McLean County because of an unsuitable unit in McLean County. They have operated this farm for 2 years. This man has farmed all his life.

The family's rehabilitation loan was made in 1936 and total amount advanced finally reached \$3,122, of which over \$900 has been repaid. The relationship between this family and the Farm Security Administration and the Federal land bank was excellent and the family unity appeared to be conducive to rehabilitation of this family.

They had made plans to operate for 1942 when they were contacted by a representative of the Federal land bank and advised that a purchaser who had been dispossessed in another area made an offer for the entire unit of 800 acres and in all probability the deal will be completed. The borrower is making every effort to secure an adequate farm, but up to this time has not been able to do so. Their plans are very indefinite and at the present time the family is using its meager resources in locating another farm. They are completely stranded with respect to next year's operations.

Clark County, S. Dak.

This man is a good cooperater and a good worker. At the present time he has 50 head of cattle, horses, and a full line of horse machinery. He is living on a 320-acre farm on the northwestern part of Clark County. This farm has 160 acres of grass and rented for \$200 cash rent in 1941. It is necessary for him to move because his landlord has demanded cash rent in the amount of \$325 for the year 1942.

Clay County, S. Dak.

This client had to leave the farm on which he was located in Union County, S. Dak., because at the last moment before the crop season started the land was sold. The moving expenses were over \$140 and seriously handicapped him in this season's operations. Just after harvest this year the farm he now occupies in Clay County was sold and while he has assiduously searched the entire county he has been unable to secure another farm and has about decided to sell his chattels and retire from farming. He is a good farmer and has always lived on the farm.

This farmer and his wife secured a standard loan and moved to a farm in Lincoln County in the spring of 1939. They are good farmers and he has fair equipment, including a new tractor. However, owing to unjust rental conditions, they were compelled to move to a farm in Clay County in 1940. Now the farm they occupy has been sold and they have been unable thus far to secure another in this or surrounding counties because of the numerous farmers moving in from the western counties who are willing to sign contracts to lease land at unreasonable figures.

Hyde County, S. Dak.

A standard borrower of the Farm Security Administration, indebted to that organization in the amount of \$2,498.71 as of July 15, 1941, has, from the inception of his loan in July of 1937, been a tenant farmer in Hyde County, S. Dak., residing on a Federal land bank owned farm. In March of 1941 the Federal land bank notified him that every effort would be made to sell the land that he resided on. The possibility of this borrower obtaining a lease on another farm unit of sufficient size to accommodate his livestock enterprise is highly improbable in this community. His property consists of 71 head of cattle, 17 head of horses, 12 hogs, 85 chickens, 23 turkeys, a full line of farm machinery, 10 tons of corn fodder, 25 tons of cane, and 175 tons of hay. If a satisfactory unit could have been leased it would have necessitated a move of considerable distance at an approximate cost of \$300.

This instance is typical of a vast number of tenant farmers that are, at the present time or will be in the immediate future, confronted with a similar problem. In a great many instances these persons so affected will be unable to secure tenure for themselves and family.

Lake County, S. Dak.

This standard Farm Security Administration borrower has been renting a 240-acre farm in the northwest part of Lake County. The farm had been owned by his mother, with a Federal land-bank loan against same. A year or two ago the Federal land bank took over the farm, and they have been renting from them. Recently the Federal land bank informed the borrower that he would have to purchase the farm or move.

Most of the farms for rent in the county are owned by the Federal land bank and various insurance companies, and these agencies are all holding the farms for sale and not putting out any lease contracts until about January, and in some instances not before February or March 1942.

There are seven members in this family. The oldest son is in United States service at present; the other four children are at home.

In 1938 this Farm Security Administration borrower moved to a 160-acre farm rented from the South Dakota Rural Credit Board in the west central part of Lake County. This is a large family consisting of 13 members. Although the farm

unit was somewhat small for this large family, they were able to maintain a fair standard of living. During the 3 years the family lived on this farm it was necessary occasionally to supplement their income with a subsistence grant. However, in 1940 no grants were received by the family.

In the spring of 1941 the farm was purchased from the South Dakota Rural Credit by a local implement dealer. The family was unable to locate another farm for 1941 farm operating; it became necessary to liquidate the Farm Security Administration loan. The implement dealer who purchased the farm planted the crop, and the buildings are unoccupied. The purchaser lives in Madison and operates several hundred acres of farm land in various parts of the county.

The family moved to an unoccupied house on a farm in the same community where the farm land is rented and operated by a neighboring farm operator. The sale of the personal property in the liquidation of the Farm Security Administration loan was held in the forepart of May 1941, and the proceeds were about \$80 short of paying the loan in full. Since the sale the father has been working on Work Projects Administration with the exception of work he had during harvest and threshing.

Lincoln County, S. Dak.

This farmer, age 41, is the head of a family of 6, consisting of his wife, age 36, 4 sons, age 18, 16, 6, and 5. This family had operated a farm in Lincoln County for a number of years, always on a rental basis. In February 1941 the farm operated by this family was sold, the purchaser being one of the larger owner-operators in the county. As the purchaser intended to farm this unit, the family was forced to get off by March 1 and look for another unit. The borrower had always farmed with horses, and to the best of my judgment had always done a fair to good job of farming. His experience in trying to relocate was that if he had owned a tractor he could have rented a suitable farm or two that he was unable to get because of having horsepower. The result was that a liquidation sale was held paying off his loan and putting this family into town.

This family's plight is one example of the discriminations shown against horse operations in this section of the State and also that of the larger owner-operators, further expansion, crowding the smaller operator off the land.

Spink County, S. Dak.

This standard borrower was notified by his landlord that the place which he was on had been leased to another party and that he would have to give possession October 1, 1941, on which date his lease expired. He is nearly 65 years of age and he and his wife had reared a family of three boys who had all married and left home, the youngest of whom has a loan through this office and lives a mile south of the farm on which the father operated last year. This borrower had spent a greater share of his adult years in the vicinity of Condo. He therefore tried to locate a suitable unit in that territory but could find none. Due to his age and lack of help from the family he did not wish to start up in a new community. He signified that he would rather liquidate than do so. We just completed holding a public auction.

Apparently there were no differences between the borrower and his landlord and the only reason for dispossession on the part of the insurance company was to lease this farm to a younger tenant who might possibly prove to be a purchaser.

Todd County, S. Dak.

This man came to Todd County in the spring of 1937, moving here from the neighboring county of Bennett. The reason for this move was the fact that a change of tenants was made on the farm he was leasing. Coming to Todd County he rented an Indian allotment on a cash basis. This place was small and inadequate and a year later the Indian owner desired it for his own use and consequently the family were again forced to move.

The family moved next to a farm owned by an investment company. The family was able to acquire a suitable unit here and was beginning to get ahead with the aid of a Farm Security Administration loan. After two seasons on this farm they were advised that it had been sold and on March 1 they would have to vacate. The family was fortunate in obtaining another farm in the same neighborhood owned by the Federal land bank. This location was suitable with respect to size, facilities, etc. They moved there with the expectation of remaining for

at least 3 years. They have recently been advised that the farm has been sold and they are now endeavoring to find another farm. He estimates that each move has cost approximately \$100.

Turner County, S. Dak.

This family consists of father and mother, a son, who is 27 years old, and a daughter 18. This family resides on a farm 3 miles north of Marion. They had formerly owned this farm which was mortgaged to the Federal Land Bank of Omaha, Nebr. Several years ago they became delinquent on the Federal Land bank loan because of drought, grasshoppers, and depression prices for their produce. The family had paid good hard cash toward the purchase of this farm in an amount more than equal to a reasonable valuation of the farm at this time. However, the Federal land bank was forced to foreclose their mortgage a few years ago and continued to lease the farm to the family until now. It is quite probable that this family will not be able to get a farm for next year and will be dislocated from the only occupation they know well. These people are honest and reliable and are good farm operators and there is little question but that they could make a success on the farm.

This family has been notified that the farm has been sold and that they will have to move off next March 1.

Yankton County, S. Dak.

This Farm Security Administration rehabilitation loan client was obliged to discontinue farming and move to town about March 1, 1941, due to his inability to secure a lease upon a suitable unit on which to continue his operations. The farm last occupied by this client was sold by a loan agency (South Dakota Rural Credits) to a local investor who had made a previous commitment to rent to another applicant. Our borrower was obliged to dispose of his chattels at public auction and is now living in the city of Yankton, employed as a day laborer, and without the time or resources to secure a farm upon which to resume operations.

He is typical of a very substantial class of farm people who for generations have made their livelihood in agriculture, and whose qualifications and inclinations are for a continuation of that occupation. This particular individual is at least of average intelligence and his progressive tendencies are evidenced by the effort he has made to provide educational opportunities for his family. He has been a victim of the existing tenancy situation in that he has operated under an annual lease without adequate renewal provision and under a contract containing a very unequitable sale clause. He eventually found himself without a farm unit too late in the season to secure another.

Cass County, Nebr.

This man is a Farm Security Administration borrower and will be displaced from his farm as it has been sold to an owner-operator. He formerly farmed in western Nebraska. Drought conditions forced him to liquidate early in the thirties and move to the eastern part of the State, where he worked as a common laborer and on Work Projects Administration. In the spring of 1940 he leased 120 acres with improvements, and 80 acres unimproved. The farm was not for sale at the time; however, later it was listed with an agent and the 120 acres were sold, displacing him for the operating year of 1942.

The original Farm Security Administration loan was for \$752. During the years he was off the farm, he accumulated unsecured obligations which were drawn into his plan. He raised a good crop of corn in 1940 and also had very good luck with his livestock, which made it possible for him to meet his payments on his unsecured accounts and his payment to the Farm Security Administration. During 1941 he has had considerable livestock increase to sell and has made further payments on unsecured accounts, as well as his Farm Security Administration loan. He has exchanged and culled down his livestock to where he has a good producing herd of cows. His corn crop is fair and if he is forced to liquidate, he will pay the Farm Security Administration in full and have a few hundred dollars for the family. He has made rapid progress the last 2 years and if he is forced to sell out and ever decided to go back to farming, it would take him at least 2 years to reach the point he has now attained.

Cheyenne County, Nebr.

This family of five came to this part of the county in 1930 from Hall County and moved to this 320-acre farm located in the Lodgepole Valley. He was a good farmer and was forced to come to this agency for a loan as he had not been able to repay his indebtedness to International Harvester Co. on the machinery and livestock which he owned.

The farm which they occupied was sold and a large irrigation project set up to raise beets. A German-Russian family was brought in to farm the land.

This family did not want to leave the farm and made every effort to find a suitable place to continue. They were making a great deal of progress and would have been able to repay their loan within a 3-year period if they had been able to remain on the farm and continue under fairly normal conditions.

The mother was active in the Extension Service and church work, and the oldest daughter had taken an active part in 4-H Club work. From farm income they were able to send the daughter to college for 1 year. Since that time she has taught in a rural school and repaid her family in addition to helping them with their expenses. The past 2 years the family has been employed as caretaker of the Country Club in Sidney, Nebr. They recently left this position since they were just able to exist with this income.

Deuel County, Nebr.

This farmer is a Federal Security Administration standard borrower in Deuel County who is 64 years old and his wife is 61. They had resided on a 160-acre unit for the past 3 years and were making progress, reducing their indebtedness to the Federal Security Administration and making a satisfactory living. The farm belonged to an insurance company and was bought by a man who is renting it to his son. The farm is now operated in conjunction with several other farms by this purchaser and the buildings are unused.

The borrower was forced to hold a public sale and retire from the farm. At his age his earnings are not sufficient to supply a living for himself and his wife and a son is forced to supplement this income. He is waiting until his 65th birthday in order to receive old-age assistance.

Had he been able to continue on the farm, he would no doubt have been able to supply an adequate living for himself and his wife and to have eventually retired his indebtedness to the Federal Security Administration and remain self-supporting.

This family consists of husband and wife and two children, 3 and 8 years of age. They had operated this particular farm for 4 years and were getting along quite well.

During 1940 the residence on this place was destroyed by fire. The landlord received \$1,200 insurance. Shortly after the fire the place was sold to a merchant who owns several farms.

This family would have been able to rent empty buildings on an adjoining farm but the new owner favored the large-type operator and would not lease the farm to them.

They have sold their livestock but have retained their machinery still hoping to be able to obtain a farm to operate. During the past year the man has been working by the day in the State of Washington. The family is very dissatisfied in town as they were born and reared on the farm and have nothing but an agricultural background. It appears extremely unlikely that this family will be able to rent another farm in this county.

Lincoln County, Nebr.

This family consists of father and mother and two children, age 14 and 16. They have had total advances of \$1,089 from the Farm Security Administration, which indebtedness they have reduced to \$233.

They have resided on their present place for the past 8 years. The farm is suitable for the family, and with the aid of the Farm Security Administration loan they have been able to properly operate this farm and maintain a good living and retire their debts in an orderly manner.

The only reason that the landlord will give for not leasing the farm to this family for another year is that he insists that this farm be operated with a

tractor. Farm Security Administration fails to see where it would be of benefit to this borrower to change his method of operation when he has proved his ability to operate successfully with horses. The farm has been leased to an adjoining operator, who has purchased additional power and will expand his operations by this amount.

Due to the new tenant expanding his operations, this family will be displaced from farming as there is no opportunity of their finding another farm in this county.

This family consists of man and wife and six children ranging in age from 12 to 24. The family has been borrowers of the Farm Security Administration since 1935. The advances made to this family have totaled \$2,010, of which they have repaid over \$1,000.

They have occupied the farm from which they have been forced to move for the past 3½ years. Just recently it was sold to a man living in an adjoining county. The purchaser said the reason for buying this farm was that he wanted to obtain land in Lincoln County in order to receive a larger Agricultural Conservation Program payment by combining his other farms with the farm in this county. Since purchasing this farm he has also purchased a new tractor and will operate this farm himself with no one living in the buildings.

The family had developed a good herd of Holstein cows and has been very successful with both their dairy and poultry enterprise. They are unable to secure a lease for the coming year, and it is very evident they will have to hold a sale and dispose of livestock and equipment.

Madison County, Nebr.

This two-member family received their first loan in August 1936. The R. A. C. C. held first mortgage on the livestock at that time. In December 1938 enough livestock and grain was released to pay the R. A. C. C. in full.

This being an 80-acre farm with very poor improvements, the family was unable to raise enough feed to care for subsistence livestock and they received supplemental loans in 1938 and in 1940. He continually tried to locate more land but was unable to do so. In the fall of 1940 he rented a 120-acre farm from the Federal land bank which was very well improved and was good soil. A supplemental loan was made to purchase more livestock and equipment so that they could handle this farm in a satisfactory manner.

About 2 months ago this farm was sold to a Rural Free Delivery carrier from a nearby town. This man expects to continue with his mail route and put a hired man on the place. He expects to spend his afternoons working on the farm. This land sale has eliminated one good tenant farmer who was making a satisfactory living on the farm.

This family spent a good deal of time and money painting, plastering, and papering parts of the house. They were getting to the place where they felt they were succeeding in their farming operations when the farm was sold. The extra work that they had put in to get this place in good order had been wasted to them. The improvements put on the place by them helped the sale. This family has not found a farm which will be satisfactory for their type of farming.

Nance County, Nebr.

This family consists of man and wife and four children. They have resided on this farm for 17 years. They were formerly owners of the place, but due to continued poor crops and low prices, lost title to the farm 2 years ago and since then have been tenants. They have just received notice that the farm has been sold and that they will have to vacate by March 1, 1942.

This family has gone through a very difficult period during the last 10 years and would have been unable to continue farming had not the Farm Security Administration assisted them. They received their Farm Security Administration loan in April 1941, and during the last year have been able to operate with less worry and concern for the future than they have for several years. The family's living standards have improved and the borrower has been able to do a much better job of farming.

To date they are unable to find another farm and the borrower has thought of moving to town or trying to get a job on some defense work, but this does not

solve their problem permanently. This family should remain on the farm and become rehabilitated in agriculture as this is the only occupation in which they have any skill.

Sioux County, Nebr.

This family of three members—father 56, mother 53, girl 15—lived on a Sioux County farm of 1,040 acres. This 1,040 acres was divided into 130 acres cropland and 910 acres pasture land. They moved onto this farm in 1936, and same was sold from under them in 1940, forcing them to pay out a small remaining balance of a loan of \$1,035 that had been advanced the first 2 years of operation.

This family operated a stock set-up, running about 30 head of cattle, 4 horses, and 4 brood sows, and producing feed for same. They cooperated in the community affairs and were members of Extension Service.

Since the family moved from the farm the father has died. The daughter is married and the mother has been doing private nursing for a living.

Barber County, Kans.

This case is very interesting, and typical of the many tenants who are being displaced in this territory. When we originally made the borrower's standard loan some 3 years ago he had 320 acres rented. This enterprise was well balanced as to farm and pasture land. He operated under this lease for approximately 1 year, when one-quarter of this land was sold to a large ranch holder located near by. It was impossible for him to obtain additional land, so it was necessary for him to get along the best he could on the quarter upon which he lived. He was forced to pasture his livestock wherever pasture was available, and this was not large enough to support the livestock program that was set up for him.

This farmer operated on this small acreage for approximately a year, until the 160 acres was sold to another landholder. He was forced to either move to town or secure a farm upon which there was undesirable tenure arrangements. The farm was good from every standpoint, but the cash rent was exorbitant, and two or three of the former tenants were forced to move off the farm because of their ability to meet the rent. This client operated this farm to the best of his ability, and, although the cash rent was very high, he made a considerable amount of progress, largely due to advanced prices.

This farm was recently sold to another farmer, who had sold a poorer farm and was hunting a more productive piece of land. The borrower has no idea where he can get any property to rent and will have to dispose of his livestock that he has built up and move to town.

Labette County, Kans.

This borrower was operating a 120-acre farm, paying cash rent in the amount of \$275. This rent, while high, for this size of farm, included very good buildings, also a very good silo. The operator was intending to continue operating on the same rental basis for the 1941 season. The lease contained a clause, however, "Subject to sale," and on February 15, 1941, the operator was notified that the farm was sold, and possession requested March 1, 1941.

This family contacted real-estate agencies, county farm bureau, and individual owners of farms, but were unable to locate any desirable operating unit, and as the length of possession was short, it was decided that the only thing that could be done was liquidation, and this was accomplished.

At the time the original loan was made to this family, they were operating mostly as farm laborers, with very little equipment, and were taking no part in community activities. At the time of forced liquidation, the family had a balanced farm enterprise, were members of the local farm bureau, were church members, and the children were attending school, with the boy intending to enter junior college.

Marion County, Kans.

This farm of 320 acres is located in the southeastern part of Marion County, Kans. It is a good farm for livestock and a good place for a home.

The original owner lost the place to the mortgage holder. They sold it a few years ago on a sales contract to a farmer who later became a Farm Security borrower. He was unable to meet the payments and the mortgage holder again took it over. The borrower had to find another location as he could no longer rent the place.

In the spring of 1941 it was rented to another Farm Security Administration borrower who moved from Saline County. The owner tried to sell it to him on a sales contract, but the deal was not made. The rental terms were the usual one-third of the crops and \$125 cash rent, with sale clause. In the summer of 1941 the owner sold the place to a dentist. The first demand by the new owner was for \$50 a year more cash rent. The next thing he knew the place had been rented to another person who appears on the place intending to sow wheat on ground already prepared by the borrower. An agreement has not been reached as the new renter will not pay the cost of preparing the ground and the landlord backs him up and has served notice that the borrower must vacate. The result is the borrower is on an urgent hunt for a new location. There are thus two farm operators out in less than a year on a single place.

Miami County, Kans.

This farmer received his Farm Security Administration loan in February 1940. At that time he had leased 80 acres on which he was paying \$200 cash rent. In March 1941 a relative of the landlord who had been living out of the county moved on the farm and took possession. This forced the borrower to camp on a 20-acre farm with most of his livestock. He had purchased some purebred cattle and wanted to keep all of his livestock as he felt that he had a good start. In the spring of 1941 he put all his cattle out on pasture and tried to carry his herd through, hoping that he might secure a farm he could move on in the fall or in the spring of 1942.

The borrower did some outside work and at the present time is employed in a Federal project in the State of Missouri. He was unable to lease a farm so he billed a sale for October 7, 1941, for all livestock with the exception of one good-quality heifer and four horses. His indebtedness was paid in full and he had approximately \$350 left and the heifer and four horses. He was very unhappy the day of the sale as he sincerely wanted to keep his livestock. This was good livestock and hard for anyone to dispose of who was trying to build up a subsistence unit. He had made considerable progress on his way to a livestock enterprise that would have been a definite asset to the community. However, due to the fact that a farm could not be found, he was forced to liquidate his chattels and is now employed in defense work.

Neosho County, Kans.

This family moved to Neosho County from Dickinson County and purchased a farm at an inflated price on a contract purchase plan from an insurance company. After 2 years of operation and disposing of most of their foundation livestock to meet their payments they found that it would be impossible to continue with the purchase of the farm. Under these conditions it was necessary for the family to apply for a Farm Security Administration loan to increase their livestock enterprise. This family was approved for a standard rehabilitation loan in March 1941 and received their initial loan of \$970 in April.

This is an excellent farm family. They use good farm and home practices. The home, the farm buildings, and premises show better than average care. They keep an excellent account book, accept supervision, and cooperate with Farm Security Administration in every way possible.

Due to the fact that this insurance company has adopted a policy of 3-year tenure this family is forced to move and has not been able to rent a satisfactory farm.

Pottawatomie County, Kans.

At the time this family applied for a loan they had \$259 of debts and \$650 of chattel property. They had four horses and one cow, but no chickens or pigs. This family had no vegetables and were living on bread and potatoes mostly. They obtained all their clothing through the welfare office. They had received a subsistence grant for some time. There are nine children, one of whom is a complete invalid.

During the time they had their loan they were able to buy their own clothing and to have a better diet than they had had for some time. The family was able to produce their own subsistence needs in dairy products, poultry and poultry products, and pork. At the time of liquidation there was sufficient property to pay the loan in full.

All the children went to high school and two children married well while they had their Farm Security Administration loan. It is unlikely the family will be able to keep the children in high school under present circumstances.

The farm this family was renting was sold to the lumber-yard operator, who rented to them for 2 years. The lumber yard closed and it was necessary for the owner to move on the farm. The head of the family is now working as a day laborer on whatever employment is available for him. It makes it very difficult for him to support a family of nine members.

Sedgwick County, Kans.

This borrower lived on a small dairy farm when he first obtained a Farm Security Administration loan. There were six members in the family.

After the loan was obtained the borrower moved to a 110-acre dairy farm, paying \$600 a year cash rent. Shortly after the defense program became active in Wichita this year the borrower had his rent raised from \$600 to \$1,000. This was prohibitive rent and the borrower was forced to move on a 5-acre tract.

The reason given by the landlord for increasing the rent was that other people were getting in on the high prices and felt that he should, as he could get \$75 a month for the house and rent the land in addition.

CASE HISTORIES OF AGRICULTURE DISPLACEMENTS—DEFENSE PROJECTS

Defense project, Parsons, Kans.

Excellent relations with the owner of the 160-acre farm they rented the past 10 years had made this family feel entirely secure in their tenure. The family included the man and wife and three children. They operated on a share-rent basis and obtained any needed financing from a local bank.

When notified to vacate, they tried unsuccessfully to lease within the county. Further attempts incurred additional expense.

The bank financed equipment, taking a 90-day chattel mortgage. A small Government crop payment was to pay the note. Not receiving it when the note fell due, it was extended 6 months and additional money loaned for relocation expense. Having no place to go when they received their 10-days-to-vacate notice, they decided to rent a temporary location available, consisting of a house, small poultry house, dilapidated barn, and 6-acre pasture. Realizing their inability to care for their livestock through the winter there, they held a public sale, retaining less than subsistence stock and applied the proceeds on their chattel indebtedness. The two girls have reentered school, but the high-school boy and his father are trying to secure work and must shortly apply for assistance unless they are successful. They have never previously received any kind of relief.

This family wants to continue farming, and the Farm Security Administration and Defense Relocation Corporation are trying to help them lease a farm for 1942. Though they succeed within a few months, they will have no fall-seeded crops and will have to go considerably into debt to replace their equipment and livestock. Relocation from the defense area has seriously jeopardized this farm family's future.

This family of husband, wife, and infant daughter has spent their entire life on a farm and was operating a 120-acre place owned by his mother. Equipment and livestock was owned jointly and he paid his mother \$75 privilege rent, one-third of the crops, and one-half of the livestock increase. His application for an Farm Security Administration standard loan was pending.

The operators interest in crops was appraised at \$75 but no payment has been received. Although they had never received Farm Security Administration grants, it became necessary for Federal Security Administration to assist when they vacated.

The family had no equity in the farm and the mother did not have funds to purchase another farm, since the original farm was heavily mortgaged. She was forced to sell her interest in the equipment and livestock, leaving the tenant without equipment necessary to operate. Although his Farm Security Administration loan provided for purchase of equipment, all these factors prevented him from finding a place to rent for 1942.

Farm Security Administration helped secure a temporary location on the edge of a small town. They kept two cows and two dozen chickens, sacrificing the rest of the livestock and equipment to finance the move.

The wife, just released from the hospital, suffered a set-back from the exertion of moving in rainy weather and was forced to return. The husband secured odd jobs, including poorly paid farm labor, and is now trying for work at the ordnance plant. They prefer to continue farming, for they know no other occupation. Even though the relocation corporation secures a farm for them to operate in 1942 they have suffered a serious reverse and will go largely into debt for the equipment and livestock necessary.

Six years ago this young family, which has always lived in this area, was "graduated" as farm laborers and began farming for itself.

For 6 years they have rented the same farm paying \$70 privilege rent and one-third of the crops. They owed a local bank for \$350 and \$300 on a tractor and combine, purchased 2 years ago. Besides having built up a substantial livestock enterprise, they were doing custom work for neighbors. The Government crop appraisal was satisfactory to them but no money has been received. Unable to find a suitable farm on which to relocate, they rented a temporary location with only sufficient space for part of their livestock. The rest was sold and the money applied on their indebtedness, and re-borrowed. Their machinery is kept on part of another farm rented from relatives.

The family knows no other occupation than farming. They hope to relocate in a vicinity where they can secure custom work to pay for tractor and combine, but fear they will have to sell both to pay off the mortgage.

At present the husband has no work but is trying to secure a place at the ordnance plant. If he does, he will not be able to care for his livestock properly and will sell the major portion. Because they must have income from some source and feel that outside employment is the only solution, they are considering a public sale. They hope to be able to reestablish their farming operations in the future on some other farm. Sale of the farm this family was renting has jeopardized their entire future in farming.

This man and wife and two children owned an 80-acre farm. Assessed value of the farm was \$2,800; the family's equity over indebtedness was \$1,500. They had never had a Farm Security Administration loan or grant. They wanted \$4,500 for the farm, but took the Government's offer of \$3,500, as they needed the money to relocate. No payment has been received, and at the time they vacated they were forced to sacrifice part of their livestock and equipment.

The husband is in poor health and unable to do manual labor. A substantial portion of the family income is from cheese, butter, and other products the wife sells in Parsons. The Farm Security Administration tried to relocate them near Parsons so they could retain this market, but there were no farms available. They are renting temporarily, 15 miles from Parsons; paying \$250 rent up to March 1 for poor house and barn, pasture, and lots.

They hoped to purchase a farm on which the wife could handle a large poultry enterprise and sell to a specialized market, but circumstances forced them to cull and sell three-fourths of the 200-hen laying flock. The boy quit school and got a job to help the family. The girl missed three weeks of school, helping the family move. The father's age and poor health prevents him from getting defense employment. The family is much disturbed over their future. They have not been reimbursed for their crops or land and have not found a place to rent and have sold so much of their livestock and poultry that it would be impossible to operate any fair-sized farm the coming year. They feel the ordnance plant has taken their home and has jeopardized their entire future.

This six-member family consists of man, wife, three children, and a grandmother. The wife is one of eight heirs to an estate from which they rent 160 acres, paying \$100 privilege rent and one-third of the crops. Farm buildings were adequate, including dairy improvements.

Major farm enterprise was their 12-cow registered Jersey herd from which they sold grade A milk in Parsons. Each cow produced over 350 pounds butter-fat. Not Farm Security Administration borrowers, they handled their financial needs through a local bank, owing about \$500.

Although the wife's equity in the estate, which the Government was purchasing for \$5,000, was insufficient to finance purchase of another farm suitable for dairying, a brother was willing to help if they could locate an adequate place. In June, hearing that they would be forced to move, they began looking in their vicinity and found it hopeless.

They rented a small farm temporarily, hoping soon to find a permanent location, but this failed, too, and they were forced to sell most of their dairy herd. The public sale brought poor prices, considering this type of livestock. They have retained their equipment and a small portion of their livestock and are hoping the Defense Relocation Corporation will lease them a farm by March 1, 1942. They want to reestablish their dairy enterprise, but if they are able to purchase the type of livestock they sold; they will have to pay considerably more than they received from the sale.

The husband and oldest son are trying to secure fall and winter work at the ordnance plant.

Fort Riley extension, Fort Riley, Kans.

This family has experienced little but misfortune since moving from the Fort Riley extension area August 1. In the family are the husband; wife; sons, 14 and 12; and five daughters—10, twins 8, and twins 4.

They have been tenants on the same 160-acre farm since 1935, paying crop share and \$50 cash rent. They had a six-room house in fair condition, and poor barn and outbuildings.

They had repaid \$162 on a standard Farm Security loan of \$262, making good progress, borrowing as little as possible and repaying whenever possible. They are good workers and close managers.

Knowing they would have to move, they did not plant feed this summer and are now without feed for their livestock, which they placed with relatives. They went to Colorado to work as farm laborers in the hay fields but continuous rain forced them to return to Kansas and find temporary quarters in Junction City. Floods there drove them out and to very crowded quarters with relatives where they are now living.

They received a \$100 relocation grant from Farm Security and are looking to the Kansas Defense Relocation Corporation for help in locating a farm. They did not receive any damages from the Government offer for their forced move. As the landlord refused to accept the Government offer for the farm, condemnation has been instituted. It is doubtful that they will receive any compensation for their crops from the landlord. The attitude of this family has become more or less hopeless due to continuous hard luck. The seven children have a rather uncertain prospect as they face the future.

Ten members of this family are living on their own 122-acre farm on which there is a real-estate mortgage of \$1,000. At home with the father, 57, and mother, 46, are two sons, 13 and 9, and six daughters, 11, 8, twins of 6 and twins of 4. Three additional older children are earning their living away from home.

They have borrowed a total of \$1,360 from the Farm Security Administration and the unpaid balance is now \$1,272. The family is honest, they are all good workers, but it is too large to have made much progress on so small a farm. The 5-room frame house is in poor condition and the barn and other buildings are inadequate.

The owner asked \$4,500 for the farm and rejected the land acquisitioner's offer of \$3,350, which was approximately \$27 per acre. It is alleged that the Government paid \$30 per acre for the roughest pasture land in the same area. Condemnation proceedings are now in process but no notice of hearing has been received. The farm is in area V of the Fort Riley extension, in which farmers can retain possession until January 1, 1942.

The head of this family, 53, has been a farmer since 1927. His wife is 47 and they have a son, 12 and two daughters, 11 and 8. He operated the 400-acre place he was renting as a livestock farm, with 131 acres in crops. They lived in a good 8-room stone house and other buildings were adequate. They obtained needed financing from a local bank.

On August 1 when they were forced to leave their farm, which is in the Fort Riley extension area, they had been unable to rent another farm. They are temporarily living on a farmstead, waiting for help from the Kansas Defense Relocation Corporation in finding a place. They have received no damages from the Government or the landowner. Farm Security Administration made them a \$100-relocation grant. Rent on their temporary location and the cost of feed amounts to \$35 a month. The family is very dissatisfied.

This husband, 44, and wife, 38, have nine children, all at home. The boys are 16, 10, 9, 6, 5, and 3 and the girls are 13, 12 and 1.

They have share-rented the same 160-acre farm since 1932. The 8-room stone house was in fairly good condition but the outbuildings were barely sufficient for their livestock, which includes 13 cattle, 4 hogs, and 340 poultry. Rental was on a one-third share-crop basis, with no cash. The family had repaid \$297 on a standard loan totaling \$834 from the Farm Security Administration.

With the assistance of a \$100-relocation grant from Farm Security, the family has been able to keep its livestock and equipment together on a temporary location and is looking to the Kansas Defense Relocation Corporation to help them get a farm to operate. Grant assistance will have to be continued until they are relocated and established well enough to develop a subsistence income.

No reimbursement for the tenant was allowed by the Government in appraisal of the farm and the figure was so low that it is doubtful if the landlord will have enough equity to pay the tenant any damages. The family wants to remain in farming and is anxious to get a livestock set-up. Because of the family's large size and the amount of labor available within the family, a rather large farm ought to be located for them.

This man and wife and two small children have lived on the same farm for the past 8 years. It was a 320-acre farm with very satisfactory buildings on which they paid a rather high-share rent and per-head pasture rent for their livestock.

Their original Farm Security Administration loan was more than \$1,500 which they have reduced to \$667 indicating quite satisfactory progress.

As the owner was offered less than the unpaid balance on the Federal land bank mortgage for the farm, he refused the offer and condemnation proceedings have been instituted. The family did not receive any damages from the Government for their crops and in view of the offer made for the farm it is quite doubtful if they will receive anything from the landlord.

The family is at present living in a temporary location expecting to secure a farm from the Kansas Defense Relocation Corporation next spring. Even though they are relocated on a satisfactory unit next spring the loss of their feed crop and consequent expense of carrying their livestock through the winter means quite a serious set-back.

This Farm Security Administration borrower-family is the owner of a 122-acre farm on which there was a \$1,000 real-estate mortgage. It was a rather small farm for a 13-member family, and as a consequence they were not able to make a great deal of progress in retirement of their debts. They had been able to do a little more than hold their own and furnish this large family with a satisfactory living.

The family did not feel that the appraisal price of the land is just and refused the Government's offer, making it necessary for condemnation proceedings to be instituted. They have no idea what they will receive for their equity in the farm, and as a consequence they are unable to make any progress toward getting a new location.

This young couple and their baby daughter had been living on a farm in which the husband owned an interest. The farm was of ample size, improved, and gave them a very good income.

As the result of disagreement between the owners and the acquisition office as to the value of the farm, it has become necessary for the Government to

acquire the land by condemnation proceedings. Because of the length of time involved in these proceedings, the family did not feel there was any hope of having funds with which to secure a farm by March 1, 1942. They have sold all their stock and equipment and have moved into town, and the husband is working on the defense area. They do not care for urban life or this type of employment but can see no hope for continuing in agriculture.

This man and wife and seven small children have been operating the same 160-acre farm on a share basis since 1935. They have a small loan with the Farm Security Administration on which they have repaid more than one-half. They have made good progress, borrowed as little as possible, and repaid whenever possible.

Because it was necessary for them to move on August 1 from the Fort Riley defense area, they were unable to harvest any feed. Since moving they are living in a temporary location, inadequate for the children and in a very unsatisfactory condition for winter. They have not received any damages for their displacement, and, according to the amount offered the landlord for the land, he will probably not be in a position to pay any damages to them.

The Farm Security Administration has assisted this family with a \$100-relocation grant and is attempting to find a permanent location for them, but to date their situation is precarious.

A 400-acre stock farm with a good house and set of out buildings has been operated by this six-member family since 1927. They were well satisfied with the farm and were making a good living. The fact that they had resided on the same farm 14 years shows that the landlord was well satisfied with the care they were giving the place.

Because the farm land was in the Fort Riley extension area these people were forced to vacate the farm August 1. They were unable to rent a suitable farm and are living in vacant buildings on another farm, hoping that through assistance of the Farm Security Administration they will be able to find a satisfactory place for 1942 operations.

Rent and feed purchases on the temporary location amount to \$35 a month, and as they have received no damages from either the Government or the former landlord for their dislocation it has been necessary for the Farm Security Administration to give them a \$100-relocation grant.

Members of this family are very discouraged and dissatisfied with present conditions and it is urgent that a satisfactory new location be found where this family can continue their former operations.

This family of 11 members has a standard loan from the Farm Security Administration. They have borrowed a total of \$834 and repaid \$297 to date.

Since 1932 they have been operating the same quarter section farm on a one-third share, no-cash basis. The land was satisfactory but the house was in need of considerable inside repair and the outbuildings were barely sufficient for the livestock.

This large family was forced to vacate when the farm was purchased for the defense area. No reimbursement was allowed by the Government, in their appraisal of the farm, for the tenant's crops, and it is doubtful if the landlord will have enough equity to reimburse the tenant for any damages.

The Farm Security Administration assisted with a \$100-relocation grant and moved this family to a temporary location where, so far, it has been possible for them to keep all of their livestock and equipment. The entire family is anxious to continue farming but because of its size and the amount of available labor it is necessary to find them a rather large farm.

The Kansas Defense Relocation Corporation has been unable to find a suitable farm to date. If this family is unable to relocate in agriculture it will mean a rather severe change in outlook on life for the nine children and probably a very meager living.

EXHIBITS

EXHIBIT I

 (County)

 (State)

Questionnaire on displacement of farm families

I. Number of active standard borrowers in your county who have been, or you definitely know, will be displaced between March 1, 1941, and March 1, 1942, by the sale of the farm on which they now reside -----.

A. The number of those farms which have been or are being sold by the following are:

(1) Federal Land Bank -----

(2) Insurance Company -----

(3) Individual -----

(4) State or County Agency -----

B. (1) The number of these purchasers who are farm operators and

(a) Who own adjacent land is -----.

(b) Who own nonadjacent land is -----.

(c) Who were tenants but are now becoming owner-operators is -----.

(2) Number of purchasers who will operate farm:

(a) With hired help but will live on farm themselves -----.

(b) With hired equipment and machinery -----.

(c) With own labor and equipment, but who will reside elsewhere -----.

(3) Number of purchasers who are investors -----.

(4) Number of purchasers who are speculators -----.

Remarks:

II. What is your best estimate of the additional number of active standard BORROWERS in your county, who will be displaced by March 1, 1942? -----.

A. Of these, how many will be displaced by other tenant farmers whose present farm has been sold? -----.

B. Of these, how many will be displaced because of landlord demands for more satisfactory labor and/or equipment? -----.

C. Of these, how many will be displaced because of increased rent on land -----.

D. Other reasons for this type of displacement:

(1)

(2)

(3)

Remarks:

III. Number of active standard BORROWERS who will be able to rent farms prior to January 1, 1942 -----: March 1, 1942 -----.

A. Number of these families who will remain in rural communities -----.

1. Number who will be self-supporting -----.

2. Number who may need relief -----.

B. Number of these families who will migrate to urban communities -----.

1. Number who will be self-supporting -----.

2. Number who may need relief -----.

Remarks:

IV. What is your best estimate of the total number of all FARMERS, including borrowers, in your county who will be displaced by March 1, 1942 -----.

V. Number of FARM families who have left your county for employment which is the result of defense activities -----.

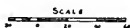
Remarks:

(Use additional sheets for any additional remarks you care to make.)

MAP OF
NORTH AND SOUTH DAKOTA,
NEBRASKA AND KANSAS

FARM SECURITY
ADMINISTRATION

Region VII



PER CENT OF
FSA DOMP OWERS
DISPLACED BY
DEFENSE EFFECTS
ON AGRICULTURE

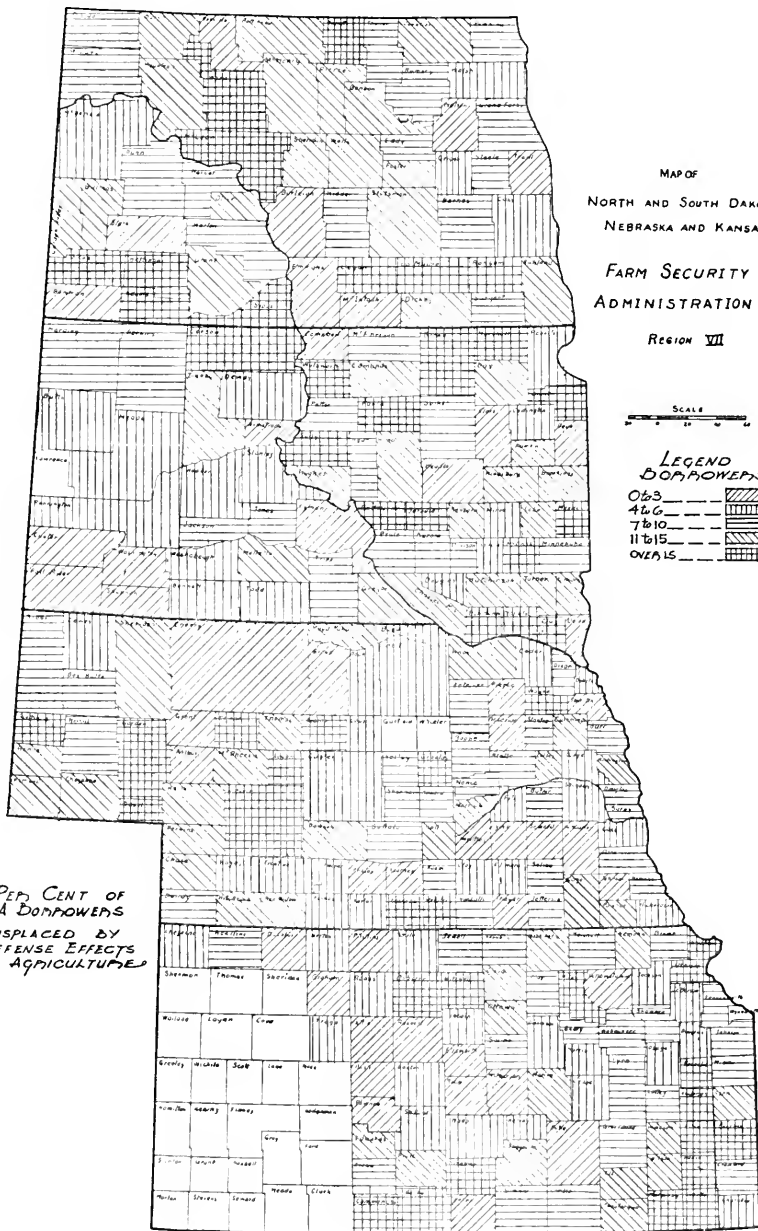


EXHIBIT IV.—Approved liquidations

	Total number approved		Paid in full				Others			
	1940	1941	1940		1941		1940		1941	
			Number	Amount	Number	Amount	Number	Amount	Number	Amount
July.....	38	43	6	\$6,146.65	27	\$24,536.61	68	\$43,396.18	64	\$45,971.61
August.....	113	78	13	11,477.80	76	76,507.47	64	40,391.36	61	55,540.24
September.....	113	171	10	7,015.50	72	84,274.67	55	41,658.01	66	63,064.18
Total.....	264	292	29	24,630.95	175	185,318.75	187	125,455.55	191	164,576.03

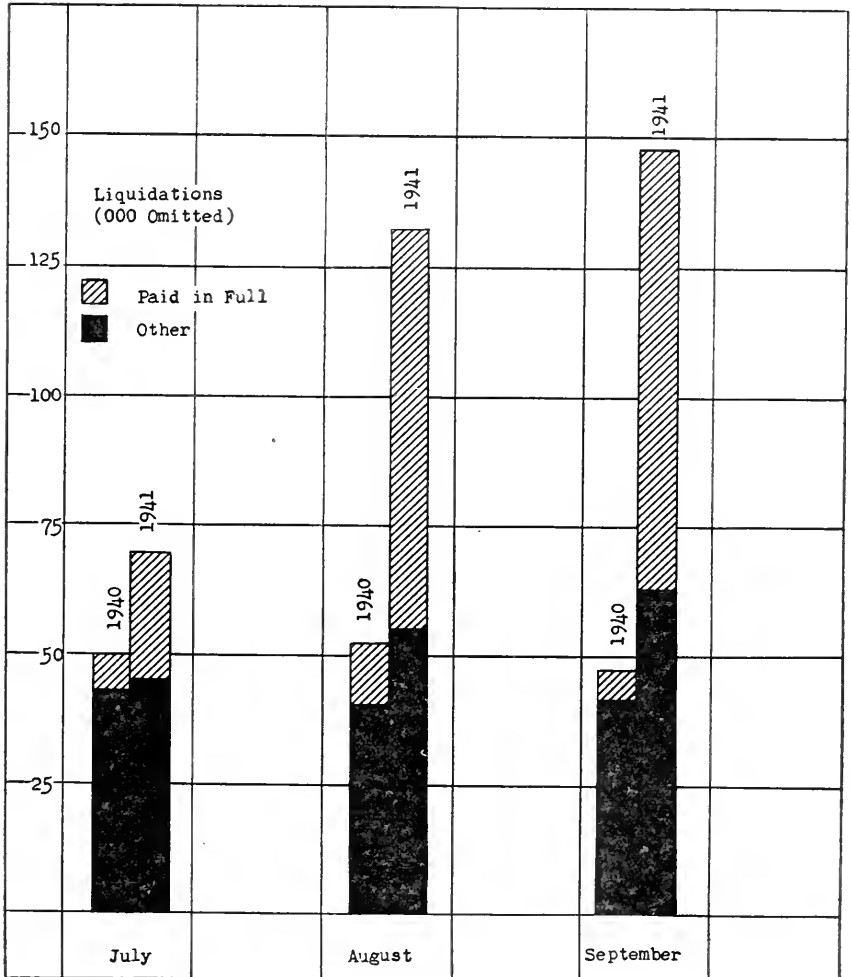


EXHIBIT V.—Initial loans, April to September 1940 and 1941

State	April				May			
	1940		1941		1940		1941	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Kansas	230	\$182,216	151	\$132,961	193	\$158,081	149	\$111,908
Nebraska	252	268,487	161	140,089	105	93,281	157	147,114
South Dakota	222	317,762	181	244,386	55	65,100	111	197,539
North Dakota	141	165,468	122	156,660	138	150,651	97	117,780
Regional total.....	845	933,933	618	671,096	491	467,116	538	574,341

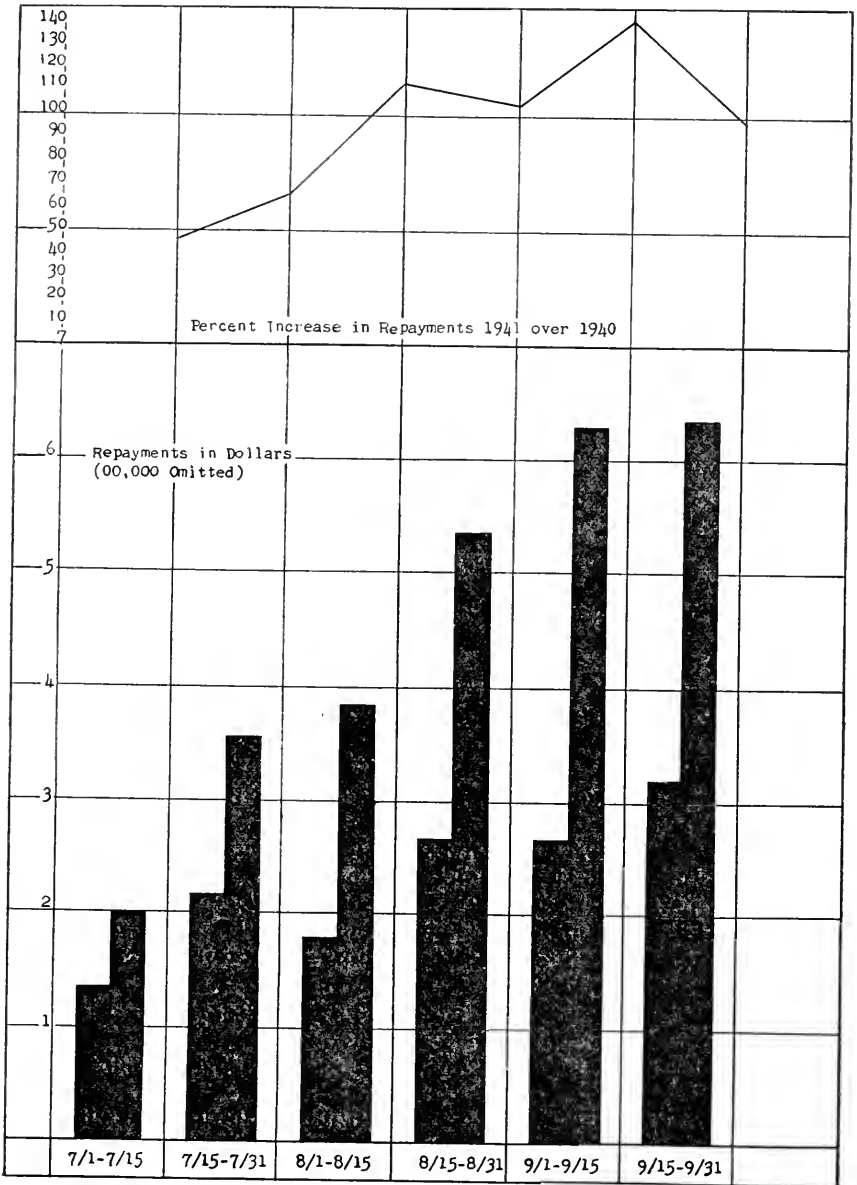
State	June				July			
	1940		1941		1940		1941	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Kansas	89	\$72,591	89	\$75,875	74	\$62,524	15	\$11,978
Nebraska	25	21,611	120	61,457	10	10,296	4	4,597
South Dakota	9	4,774	119	157,023	49	73,113		
North Dakota	69	83,273	150	120,605	54	63,867	9	10,874
Regional total.....	192	182,249	478	411,960	187	210,100	28	27,449

State	August				September			
	1940		1941		1940		1941	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Kansas	18	\$13,881	11	\$8,505	39	\$35,799	31	\$33,417
Nebraska	8	7,933	6	4,118	14	14,811	6	5,923
South Dakota	21	36,292	30	49,061	13	24,952	49	76,204
North Dakota	17	18,603	22	23,763	25	31,661	14	15,220
Regional total.....	64	76,709	69	85,447	91	107,223	100	130,764

State	Total			
	1940		1941	
	Number	Amount	Number	Amount
Kansas	643	\$525,095	437	\$374,644
Nebraska	414	416,420	457	363,298
South Dakota	369	522,294	523	724,213
North Dakota	444	513,523	414	414,902
Regional total.....	1,870	1,977,332	1,831	1,907,057

EXHIBIT VI.—Repayments

Period of—	1940	1941	Percent increase
July 1 to 15.....	\$136,279.68	\$198,433.33	46
July 15 to 31.....	213,639.65	355,004.93	66
Aug. 1 to 15.....	179,653.29	385,006.53	114
Aug. 15 to 31.....	260,993.56	535,686.71	105
Sept. 1 to 15.....	263,013.63	629,452.78	139
Sept. 15 to 30.....	319,729.37	637,060.01	99
Total.....	1,373,309.18	2,740,644.29	99



TESTIMONY OF CAL A. WARD—Resumed

Mr. OSMERS. I wonder if you would just outline this statement in brief for us now.

Mr. WARD. In the preparation of that statement, we tried to adhere as closely as possible to the problem at hand, namely, the impact of the defense program on the farmers. We gave a brief introduction of the history of agriculture in the past 10 or 15 years, and some of the changes that have taken place. The remainder of the statement was based upon a questionnaire that was sent out to 298 county supervisors in the States of North and South Dakota, Nebraska, and Kansas. We received 276 statements in answer to that questionnaire.

Mr. OSMERS. They are Farm Security supervisors?

Mr. WARD. Yes; county supervisors. One of the main questions was: How many of our borrowers are going to be displaced?

Mr. OSMERS. By defense activity?

Mr. WARD. Yes; and also because of the fact that they could not find farms, or hold farms they were on. Then, breaking that down further, we wanted to know what was becoming of these farms. Were they being leased out from under the farmers or sold? And if they were, who was getting them? And if the farmers—that is, our borrowers—were leaving these farms, where were they going? My written statement, I think, will give you the answer to those questions.

Mr. OSMERS. The low-income farmer is your principal client?

Mr. WARD. That is right.

EFFECT OF DEFENSE DISPLACEMENTS

Mr. OSMERS. In general, has he been helped or harmed by the defense program?

Mr. WARD. I would say that the 3,400 of our borrowers who are going to have to leave their farms, out of a total of 35,000, are hurt. Many of them don't know where they are going. The balance of our borrowers are helped.

Mr. OSMERS. Those who remain in farming are helped. Those who are displaced are people of small resources, I presume, and are very hard put to find other farms?

Mr. WARD. Those 3,400 will not be able, according to these reports, to find farms for the next cropping year, and they have got to go into industry or defense or elsewhere. Some 700 of them, because of their age, can't find jobs in industry, and will probably be on the relief rolls.

Mr. OSMERS. How large has the volume of applications for loans been over recent months?

Mr. WARD. Since July 1, the beginning of the fiscal year, it has been somewhat less than in previous years.

Mr. OSMERS. Do you attribute that to a more prosperous condition in agriculture?

Mr. WARD. Yes; and also to the attitude of the banks, which are taking some of these people on whom they had turned down heretofore, because economic conditions are better and farm-commodity prices higher.

Mr. OSMERS. They can now apply to private loan agencies instead of the Government?

Mr. WARD. Yes; because of better prices and better crops in our area.

Mr. OSMERS. In what areas are you having difficulty in finding farms?

Mr. WARD. Pretty generally over the four States, but there are certain counties in each State where the condition is acute. I have in mind certain areas in central North Dakota, north-central South Dakota, seven or eight counties in eastern Kansas, and some parts of Nebraska.

Mr. OSMERS. Is that because the farms are not there, or because they are too valuable for these people to acquire?

Mr. WARD. You see, these people are tenants and they have to lease the farms, and as I said, the farms are being leased or sold out from under them to other operators.

Mr. OSMERS. You mean to larger operators, corporate operators?

Mr. WARD. I mean to say that; yes. Because of the improvement in prices, larger operators are now able to offer the landlords a stronger inducement than our people; in addition to that, a good many landlords look with favor on operators who use big-gage machinery.

Mr. OSMERS. Which States in your territory have laws requiring insurance companies to dispose of farms after a certain period of time?

Mr. WARD. I think all four of our States have such laws. They are not all quite the same, but in all four States they allow corporate owners to hold land only for so long, and then require them to resell it.

Mr. OSMERS. Has that provision contributed toward the sale of these farms, which otherwise might have been rented out to tenants?

Mr. WARD. To some extent; yes.

Mr. OSMERS. What happens to a farm family when they are displaced in that way?

Mr. WARD. If they can't find farms, the case is liquidated, so far as we are concerned, and they have to seek employment elsewhere. Some of them can't find employment. Most of them will be able to, except in cases where health or age is a factor.

FARMERS DISADVANTAGED BY LAND-TENURE LAWS

Mr. OSMERS. Are those laws leading to a wider degree of farm ownership? That, I presume, was the purpose for which they were enacted.

Mr. WARD. I don't know that that is true. In my own judgment, ownership of the land is becoming concentrated in the hands of fewer rather than more owners.

Mr. OSMERS. Fewer owners and larger farms and less tenancy?

Mr. WARD. That is right.

Mr. OSMERS. So that the farmer who is at the bottom of the economic ladder is harmed?

Mr. WARD. He is greatly disadvantaged.

Mr. OSMERS. By the operation of these State laws?

Mr. WARD. That is right.

Mr. OSMERS. I wish you would describe briefly those areas in your region that have had large defense activities, and in which people have been displaced as a result.

Mr. WARD. We have one at Fort Riley, Kans., and one at Parsons, Kans. Wahoo, Nebr., is also affected.

Mr. OSMERS. How big is the Government operation at Wahoo?

Mr. WARD. It is displacing 117 farm families, I understand.

Mr. OSMERS. Are you planning to help those people find other farms?

Mr. WARD. Yes; those who want our help. We have already gone ahead with other representatives of the Department of Agriculture. We have surveyed all those families and found out what their wishes are and their circumstances.

Mr. OSMERS. Is the land involved at Wahoo good farm land or bad?

Mr. WARD. Very good, most of it.

Mr. OSMERS. And what sort of operation is being put in there?

Mr. WARD. I am not in a position to say what the Government is going to do, except that it plans to construct an ordnance plant.

Mr. OSMERS. Is it proposed to destroy the buildings now on that tract?

Mr. WARD. I don't know what they are doing at Wahoo. At Parsons they are selling the buildings out.

Mr. OSMERS. Salvage?

Mr. WARD. That is right.

Mr. OSMERS. Is there any other area within 40 miles of Omaha where that plant could have been located, where it would not have taken good farm land and still would have served the purpose as well?

Mr. WARD. Within 40 miles?

Mr. OSMERS. Within a similar radius.

Mr. WARD. I am sure there are sections out in Nebraska where land is cheaper.

Mr. OSMERS. It seems to me that the Government's aim should be to grade up the farmer constantly and abandon as much of the submarginal land as possible. Therefore, unless there are compelling reasons for building this plant at Wahoo it might have been wiser to locate it elsewhere.

Mr. WARD. It seems to me they could have used a different type of land. But I assume the Army had specific reasons for locating at Wahoo.

Mr. OSMERS. You mean, we hope they had.

Mr. WARD. With reference to your statement about the submarginal land, I would say that a good national policy would be to build up the land, even where it is submarginal.

Mr. OSMERS. I am in full accord with that idea. But you have already mentioned the scarcity of good farms, and it doesn't seem to me that we should start manufacturing on good farm land.

Now, how many are affected in the other regions, at Fort Riley and Parsons?

Mr. WARD. At Fort Riley 125 families are being displaced, and 135 families in the Parsons area.

AID TO DISPLACED FARM FAMILIES

Mr. OSMERS. Were you able to help many of those people?

Mr. WARD. Yes. We are helping them very much. We set up offices immediately, and to those farmers who were displaced, and whose finances were exhausted, we have given grants to move, in the amount of \$100, and also subsistence grants for fuel, clothing, and so forth; we have made them emergency loans to get in possession of temporary quarters until they could find permanent quarters, and we have called them together in a body and told them what we were able to do, and followed through on it. We have contacted every individual family.

Mr. OSMERS. Mr. Ward, what is the connection between the Kansas Relocation Defense Corporation and the Farm Security Administration?

Mr. WARD. The Kansas Relocation Defense Corporation was sponsored and financed by Farm Security.

Mr. OSMERS. It is a creation of the Farm Security?

Mr. WARD. That is right.

Mr. OSMERS. Do you expect any difficulties in relocating the families in the Wahoo area?

Mr. WARD. We haven't started that, but our survey shows that only 70 of those families appear to need the services of Farm Security, out of 117.

Mr. OSMERS. Have they applied to you for assistance?

Mr. WARD. The 70? No; they haven't.

Mr. OSMERS. What are your experiences with regard to farm labor during the past year?

Mr. WARD. It hasn't been a very grievous problem this year. There has been quite a sufficient supply of farm labor, generally speaking. But there have been some spots, and they are becoming more aggravated as time goes on. I look for quite a shortage of farm labor next year in certain sections of these four States.

Mr. OSMERS. In our testimony yesterday we learned that about 135,000 young men have gone out of these States to California, for industrial defense jobs.¹ Do you think you are going to feel the effect of those removals?

Mr. WARD. Before we go into that I would like to point out that in the survey that we have made of all our borrowers in these four States, about 10 percent will be unable to get farms next year. Of all the tenant farmers in all four States, we estimate 7 percent won't be able to get farms next year.

Mr. OSMERS. Is it your understanding that these people are going to be displaced, or is it your belief that they are going to get jobs at the Martin plant and places like that?

Mr. WARD. Some of them won't. I think they will have to get into other types of work in the defense program.

Mr. OSMERS. Will you give me an example?

Mr. WARD. They will be able to get work in some of the small factories and plants, and more jobs with the small businesses in the towns and cities.

Mr. OSMERS. Retail consumer goods and services?

Mr. WARD. Yes.

Mr. OSMERS. I want to switch away from these immediate problems and discuss some of the statements that you make in your paper concerning the long-range history and the long-range future of American agriculture. This committee is vitally interested in that subject. We are interested in it for several reasons. It is our duty as members of this committee to suggest and propose measures which are most likely to keep people where they are, insofar as such policy conforms with the necessities of national defense. Needless migration, we believe, should be curtailed as much as possible.

Unless I misread the statement that you have made, we are now starting to make the same mistakes we made in 1916, 1917, and 1918. And we know what that did to American agriculture. American agriculture has never recovered from that. Many of the troubles of farmers are traceable to that period. I wonder if you would give us that picture of agriculture, starting before the World War and ending up to date?

¹ See Hastings hearings, p. 8311.

Mr. WARD. In this section of the country for many years we have been afflicted with drought, as everybody knows, and it has been terrible. In 1936, in the 4 States that I have mentioned, we had 150,000 farm families on grants. And more and more farm people, month after month and year after year, have become stranded. I know that picture very well. I know what has happened to the 430,000 farm families in my 4 States. Their morale, generally, has been shattered by disappointment. They have worked hard and planned their crops and the farm's operation. As everybody knows, a farmer has got to do a certain amount of gambling. It is an expensive operation. These people have gone through all that, only to find their crops burned out in the summer, and themselves destitute. Year after year they have gone through those processes.

The policy of the Farm Security is—and I am convinced personally that it is a wise one—to keep these families tied to the soil. I firmly believe in the family type of farm, the typical unit that will provide a standard of living for these farm families to which they are entitled—food, clothing, and education, and all that, plus a little extra on the side to lay up for a rainy day.

GOLDEN YEARS OF AGRICULTURE

Mr. OSMERS. I would like to get back to the period between 1906 and 1915. We had a normal agriculture then. Those were the golden years of American agriculture.

Mr. WARD. Very true.

Mr. OSMERS. We had normal rainfall and normal prices, and the farmer during those years fitted better into the whole picture of American economy than he has at any time since. What happened in 1916 and 1917?

Mr. WARD. There was the advent of power machinery. Automobiles, tractors, and other machinery came in at that time, and naturally it took a lot more money for a farmer or anybody else to operate. That has been true ever since. In 1916-17 we were asked to produce food for our Allies and our own people. Out here we broke up the prairies and planted wheat and for a few years farmers were very prosperous. When the war was over no preparations, no readjustments had been made. The important shift in our economy wasn't nationally accepted by all the people.

Mr. OSMERS. Are we following now the same fatal steps that we took during those years—higher prices for land and commodities, and general inflation of agriculture?

Mr. WARD. We are discouraging that. We are saying to our people, it is a good time to pay debts and a poor time to go into debt. And we are trying to get our people to resort to a diversified type of agriculture, to intensification and specialization. We are also trying to get our people tied to the soil by long leases, which is hard to do, or to purchase through the tenant-purchase program, so that we can avoid the impact that we had following the first World War. This time I think we are going to be in better shape.

Mr. OSMERS. Do you believe that the rise in prices of farm land will get so bad that it will become necessary for the Government to fix the price of farm land?

Mr. WARD. I doubt if that time will come. I think we are going to have some legislation to curtail the pyramiding of land by individuals and groups.

Mr. OSMERS. I was interested in your statement that the number of farms of over a thousand acres in a certain area had increased 50 percent.

Mr. WARD. That is right. The size of farms is generally increasing in this area.

MECHANIZATION AND LARGE-SCALE OPERATIONS

Mr. OSMERS. Do you think that the trend toward mechanization and large-scale operations can be stopped?

Mr. WARD. I don't think the mechanization can be stopped. The trend to large-area ownership can be stopped, but it is going to take drastic steps. It is going to take an understanding of the problem. We first have to prove that it should be done. It is my own personal opinion that in these States out here, we can adequately take care of as many farm families as are on the farms now, and that after the war, industry will not be able to absorb these people or even maintain those who have jobs now in the factories.

Mr. OSMERS. Do you think we are approaching a situation similar to that of large industry, where we will have large farm units and wage-hour laws and that type of agriculture?

Mr. WARD. It might come upon us unless we take some pretty drastic steps to crush it.

Mr. OSMERS. I see. I would like to say, Mr. Ward, that this committee has made very strong recommendations to the Budget Bureau for continuance of your work. We feel you have done a very valuable job for agriculture.

Mr. WARD. Thank you.

The CHAIRMAN. Mr. Meissner, you are the next witness.

TESTIMONY OF WALTER T. MEISSNER, OF SYDNEY, NEBR.

The CHAIRMAN. Mr. Meissner, will you state your name and address?

Mr. MEISSNER. Walter T. Meissner, Sydney, Nebr., common laborer.

The CHAIRMAN. Where are you from?

Mr. MEISSNER. Sydney.

The CHAIRMAN. What county?

Mr. MEISSNER. Cheyenne.

The CHAIRMAN. How old are you?

Mr. MEISSNER. Forty-eight.

The CHAIRMAN. Have you a family?

Mr. MEISSNER. Yes. A wife and three children.

The CHAIRMAN. How old are your children?

Mr. MEISSNER. Twelve, 16, and 21.

The CHAIRMAN. How long have you lived in Cheyenne County?

Mr. MEISSNER. Since the fall of 1930.

The CHAIRMAN. What has been your occupation?

Mr. MEISSNER. Farming till 2 years ago.

The CHAIRMAN. What have you been doing in the last 2 years?

Mr. MEISSNER. I worked in the Sydney Country Club until last fall, and anything I could get from then on.

The CHAIRMAN. What do your children do?

Mr. MEISSNER. The oldest girl teaches school.

The CHAIRMAN. In that same country?

Mr. MEISSNER. Yes.

The CHAIRMAN. Does she help support the family?

Mr. MEISSNER. No. Just supports herself, mostly.

The CHAIRMAN. Is she a college graduate?

Mr. MEISSNER. She had 1 year of college work, and has been teaching school for three terms. The others are in school.

The CHAIRMAN. Why did you have to give up farming?

Mr. MEISSNER. Because the farm I was on was sold, and I couldn't get another one.

The CHAIRMAN. Were you a tenant?

Mr. MEISSNER. Yes.

The CHAIRMAN. You tried to get another farm?

Mr. MEISSNER. Tried way up into March, until I had to get off.

The CHAIRMAN. How big a farm did you operate?

Mr. MEISSNER. A half section—320 acres.

The CHAIRMAN. What crop did you raise?

Mr. MEISSNER. Corn and barley and wheat, feed.

The CHAIRMAN. Did you do pretty well as a farmer?

Mr. MEISSNER. I did until it was so dry.

The CHAIRMAN. You were able to support yourself and your family?

Mr. MEISSNER. Until the dry years came.

The CHAIRMAN. What are your plans for the future?

Mr. MEISSNER. I would like to get back to farming, if I can.

The CHAIRMAN. You have just been working at odd jobs. You are not on regular work?

Mr. MEISSNER. I was picking corn when they took me up here.

The CHAIRMAN. Are farms still difficult to find?

Mr. MEISSNER. Yes; they are sometimes hard to find.

Mr. CURTIS. What did you do with your equipment?

Mr. MEISSNER. I sold it.

Mr. CURTIS. Can you buy it back for what you sold it?

Mr. MEISSNER. No.

The CHAIRMAN. Is that true of your stock, too?

Mr. MEISSNER. Yes. I had to sell everything when I left the farm. I had no place to put it.

The CHAIRMAN. What would it cost you to get back to farming, now?

Mr. MEISSNER. More than I got when I quit.

The CHAIRMAN. And you don't even have that now?

Mr. MEISSNER. No.

The CHAIRMAN. I believe that is all.

Mr. CURTIS. We are glad you were here because we can't call all of the people in Nebraska who have rented farms and are out now, but your story illustrates a problem, and thus you have made a contribution to our record. We thank you very much for your appearance.

TESTIMONY OF DR. O. H. PERSON, MAYOR OF WAHOO, NEBR.

The CHAIRMAN. Mr. Person, of Wahoo.

Mr. ARNOLD. Will you give your name and address and occupation to the reporter?

Mr. PERSON. O. H. Person, Wahoo, Nebr., mayor of the city.

Mr. ARNOLD. This committee has heard a great deal in the last few days about Wahoo, and about a bomb-loading plant you are to have there. We have received a statement from you and also from members of your defense subcommittees. They will all go into the record.

(The statements referred to above are as follows:)

STATEMENT BY O. H. PERSON, MAYOR OF WAHOO, NEBR.

NOVEMBER 20, 1941.

A short time after we learned that an ordnance plant was to be located in our county, our city council decided that several of us should go to visit several towns that had met up with conditions which might be similar to what we were to face.

Therefore, on October 22, our chief of police, city attorney, city clerk, light and water commissioner, and myself left Wahoo to visit Burlington and Ankeny, Iowa, and Wilmington, Ill.

We found that they were all agreed on one thing—that it was one grand headache. They did not know what to prepare for, or how to prepare, or what to do. We were informed of many problems which confronted them and which we would likely meet up with—such as housing, sewage disposal, trailer camps, education, recreation, labor, rents, traffic, law enforcement, and many others. I do not know if what we learned on our 3-day trip will be of any benefit to anyone, but, nevertheless, it was the only means we knew of to get any information.

At our next council meeting we tried to relate our findings to the city council and later to several civic organizations, so as to partly prepare our people for what had to be done to meet the problems which we were to be confronted with in the near future.

I have appointed or organized a defense council for the city of Wahoo, which was requested by the National and State Federal civilian defense officers and seven subcommittees. I am happy to state that these committees are functioning to the best of their ability.

The housing committee has made a survey of the town and report that they find 257 rooms that can accommodate about 536 people, 8 vacant houses, and 9 apartments. We have also made arrangements with a trailer camp within our city which will accommodate about 150 trailers. More trailer space has been provided for just outside of the city limits. We are helpless to house several thousands of people unless they live in trailers. We cannot look after a large number of school children so that their education will not be neglected unless we are given help from the Government.

The one thing that I cannot understand is this: Why can we not be told what to prepare for and what to expect? Surely this could not help but lighten the load for everyone concerned.

I was also asked to give a brief report on what I learned from the people located within the district that is to be known as the Wahoo ordnance plant. My profession is a veterinarian, and, therefore, am in contact with many of the people in said district.

I believe nearly all of the people are in favor of having such a plant in this section of the country. Again and again they say: "I cannot see why we are unable to get any information on how long we can stay. We want to husk our corn, or if we cannot will we lose it, etc." I believe about 60 percent are renters and the rest own their farms.

The renter and landowner claim that the Government has led them to believe that after they sow their wheat they are assured of a crop of wheat by having wheat insurance and are now wondering if that insurance is any good. The renter feels that he is not taken care of at all—is paid nothing for his lease, has no place that he can rent now and will have to take a considerable loss on his machinery if forced to sell, and, above all, that he is put in this situation not by his own act.

Some of the landowners feel that the people who are appraising the land are not qualified, due to the fact that they have been appraising land for loans only, and for this reason were inclined to have the value of the land plenty low. Most of this land is very good and, as many of you know, our country before the drought was rated as one of the richest agricultural counties in the State. In the year of 1930 our county had an estimated loss of \$5,000,000 due to banks closing their doors. Since 1933 we have had a drought.

Taking all of these things into consideration, I believe these people do deserve a little sympathy in having to give up their homes.

In summing this whole thing up I believe we have too many agencies—thereby leading to jealousy and red tape. Washington should recognize that proper housing for these defense workers is of vital importance and no community can be expected to furnish the same for a large number.

When a new ordnance plant is located, defense authorities should make immediate plans to help the communities prepare in advance for the great

influx of people. Government funds should be provided to carry out these defense programs where municipal and private enterprise cannot cope with the job efficiently.

(The following letters and material were submitted with the above statement:)

NOVEMBER 20, 1941.

HAROLD G. TIPTON,
Field Investigator,
411-412 Post Office Building, Omaha, Nebr.

Re your communication of November 12, 1941.

DEAR SIR: Please be advised, in reply to your communication and inquiries of the above-named date, that so far and to date we have had no trouble with our traffic, health, and sanitation problems. These situations have been well handled and maintained as time went on, and have been under full control at all times.

What these problems may be in the near future; that presents another problem. Necessarily, much of that will have to be worked out as problems arise. Frankly, I do not believe our sewer system and means of sewerage disposal are sufficient or satisfactory to take care of an increase in population of from 30 to 100 percent. Assuming such increase would come in suddenly, and that is what we expect, facilities could scarcely be made to meet such sudden demands either from the standpoint of financial means, or from the standpoint of necessary and immediate construction.

Relative to the traffic problem; I feel that additional men will have to be placed on the police force in order to be in position to cope with a larger problem—namely, handling perhaps two or three times the vehicles within the same period of time.

We, as the governing body, are making surveys elsewhere in order to be better able to obviate unnecessary errors which might otherwise arise. We are seeking to benefit from other communities which already have faced many of the problems which will be quite new to us. We are having committees appointed in order that things may be handled in a more representative and practical way. If you wish technical data on length of sewer systems and water lines, that will have to be procured from the water commissioner.

Respectfully,

PERCY BLAIR,
Chairman, Law Enforcement and Sanitation.

WAHOO, NEBR.,
November 20, 1941.

Mr. HAROLD G. TIPTON,
411-412 Post Office Building, Omaha, Nebr.

DEAR SIR: As we have not been organized long enough to know the demands and problems associated with priorities which will affect this area, we find it very hard to make a report of sufficient value to be used at the hearing of November 25.

We are anxious to be of service to these affected, and I can pledge wholehearted support by our committee, and we will appreciate suggestions or information on any of the problems.

As the morale of plant workers depends upon good housing and sanitation, recreation, reasonable prices, choice of clothing, and all household supplies, we believe the efficiency and output of the works generally will be reflected in the morale and general well feeling of all the workers involved in construction and operation.

Having the above in mind, we are cooperating with the other committees by helping to solve the problems of the question of priorities affecting housing, materials, critical materials of clothing, recreation, sanitation, and utilities.

At the present time we are interested in finding the extent of or the amounts of materials to be used for defense activity and what the O. P. M. will rule as to ratings for these materials.

Very truly yours,

W. H. CHALLBURG,
Water and Light Commissioner and
Chairman Subcommittee on Priorities.

WAHOO, NEBR.,
November 20, 1941.

HAROLD G. TIPTON,

*Field Investigator, House Committee Investigating National
Defense Migration, 411-414 Post Office Building, Omaha, Nebr.*

DEAR MR. TIPTON: Your letter of November 12 with reference to my appointment as chairman of a subcommittee on zoning for this city, which comes within the defense area and being 6 miles away from the west boundary of the proposed bombshell loading plant. As this committee was just recently formed, and having met only once, we are not prepared to give the Committee on Investigation of Defense Migration much information.

The city council of Wahoo have passed an emergency ordinance covering the regulation of trailers and trailer camps and have also strengthened the ordinance covering building permits. We believe it is the intention of the city council to pass some form of zoning legislation and it is the purpose of the zoning committee to make a study of this and report to the council.

It happens that the writer is the city engineer of Wahoo, and I might mention here some points along that line that the city council is concerned with. At present, our municipal light and water system is ample to take care of our needs. This likewise applies to our sewer system, but with the possibility of sudden large increase of population, we feel the Government should be in a position and likewise willing to come to our assistance in any necessary required expansion of our utilities. We question any possibility of cities of this class to provide an emergency expansion along these lines.

The above likewise applies to our public-school system, of which the writer happens to be a member of the board of education.

As soon as our zoning committee has completed a study of our needs and makes our report to the city council we will be happy to furnish your committee with a copy of same should they desire.

Respectfully submitted.

W. G. JOHNSON,

Chairman of Zoning Committee for the City of Wahoo, Nebr.

SUBCOMMITTEE ON TRANSPORTATION AND HIGHWAYS

It is difficult at this time to make a definite statement as to our plans with reference to highways leading to and from the proposed Nebraska ordnance plant near Wahoo. It has been difficult to get any specific information relative to this bomb-loading plant, as no one has been assigned to this project, either by the engineering firm or the zone construction quartermaster's department. It is, therefore, difficult to solve a problem when the problem is unknown.

Steps have been taken to contact our State highway department with reference to the relocation of Highway 34 leading from Wahoo to Ashland. Part of this road is within the boundaries of the ordnance plant. The department, at present, is hesitant about taking any action. However, they have promised their cooperation when more specific details are known.

The construction and graveling of a road leading from Wahoo to the west boundary of the ordnance plant has also been discussed with our county commissioners. The road, which is mentioned for improvement to the plant, is located 2 miles south of State Highway 92 and alternate 30 and will lead directly east of Wahoo.

When more information is available as to the location of the administration buildings and entrances to the ordnance plant, necessary steps will be taken either in cooperation with the county commissioners or with our State highway department, to have proper road facilities to these points.

WILLIAM PLACEK,

Chairman, Subcommittee on Transportation and Highways.

WAHOO, NEBR., *November 20, 1941.*

MAYOR O. H. PERSON,
Wahoo, Nebr.

DEAR MAYOR: I have been requested to make a statement relative to the problems facing a community when a defense site is selected in the vicinity, and the plans taken to meet the problems.

It is yet too soon for us to speak from experience as our problems to date are those of anticipation. We believe that we will be faced with a distinct housing shortage, and that there will be other problems of health, school facilities, law enforcement, and many others of equal importance.

Our present most urgent problem has to do with relocation of farmers who must move to other farms, or find suitable residence and employment elsewhere. Government facilities are being made available through the Department of Agriculture to help the situation, but we believe all facilities yet provided are inadequate to prevent adjoining land inflation, and to secure suitable location for tenants.

We are just completing a housing survey of Wahoo and surrounding towns. Cards containing the required information are prepared for every party having facilities available. In Wahoo the Woman's Club is conducting the survey. The cards will be filed by the city clerk at the city hall. It may be necessary for the committee to take some action relative to fair rents but so far that has not become a problem.

WALTER F. ROBERTS,
Chairman, Housing and Fair Rents Committee.

WAHOO, NEBR., *November 20, 1941.*

DR. O. H. PERSON,
Mayor, Wahoo, Nebr.

SIR: In compliance with instructions received from Mr. Harold G. Tipton, field investigator for the committee of the House of Representatives investigating national-defense migration, the following report is submitted.

The construction of an ordnance plant in the vicinity of Wahoo is certain to cause increases in local school enrollments. Those increases are more probable in the early elementary grades than in the upper elementary grades, and more likely in the latter section of school population than in the secondary grades. The age and the marital status of the average construction worker are the bases for this conclusion.

If the influx of workers and the attendant increase in school population are distributed more or less equitably over the entire city of Wahoo, present school housing facilities will permit an additional enrollment in all grades amounting to approximately 25 percent of the present enrollment in all grades. The increases that can be absorbed, however, will be greater in the elementary grades than in the secondary grades. It is likely that an increase of even 35 percent in the elementary grades would be possible, while in the secondary grades, depending upon the courses pursued, a 20-percent increase would be a safe allowance. It is significant, however, that if the increased enrollments are concentrated in a few of the elementary grades, or in any one area of the city, school housing facilities will be taxed correspondingly. It is, therefore, a reasonably safe conclusion now to say that present school housing facilities are equal to the total population that can be accommodated by present residential facilities.

It is probable, too, based upon the experience of school administrative officers in other localities where ordnance plants have been constructed, that definite and specific changes in the school situation cannot be foreseen. It would be inadvisable to prepare for increased school enrollments on the strength of abstract formulas only. Adjustments will have to be made as problems are met. Inconveniences must be expected, and therefore, pending the stabilization of all phases of construction and operation of the plant, permanent solution of the school housing and servicing situation must be postponed.

In the department of recreation a survey is being conducted to determine the availability of facilities for the promotion of sports, leisure reading, and entertainment generally. The community service division of the State Work Projects Administration has been approached and assurances have been received that the utmost in cooperation will be provided. This cooperation will include the service of as many full-time and part-time leaders at Federal Government expense as

are necessary. The local community, however, will be compelled to make the necessary outlay for the provision of the physical equipment that is necessary for the sponsorship of the program.

Probably the most that the local committee on education and recreation can now report is a readiness to go to work in its assigned department of activity whenever the occasion demands, and a full sense of responsibility that the education and guidance of both the children and adults in the coming change will not be a small one.

Respectfully submitted.

PAUL E. SEIDEL,
*Chairman, Subcommittee on Education and
Recreation Defense Council for the City of Wahoo.*

FARM DISPLACEMENT AND RELOCATION PROBLEMS IN SAUNDERS COUNTY, NEBR.

REPORT BY GEORGE HENDRIX, G. W. HUNTER, L. R. LEONARD, FRED S. WALLACE, L. A. WHITE,
AND ARTHUR ANDERSON

A few days after the War Department announced that a bomb-loading plant was to be located in a rural area in Saunders County, representatives of the agencies most concerned within the United States Department of Agriculture and the Nebraska College of Agriculture met to formulate a program of assistance to the farmers in and adjoining the proposed area in accordance with the general plan approved by the Departments of War and Agriculture. This program included the designation of an interagency committee to represent the several agencies in their contacts with the representative or officer directly in charge of the project. This committee was instructed also to work with and through the local people and to offer them the facilities of the several agencies in meeting the adjustments necessitated by the location of a large defense project in a rural area. In order to determine the extent and type of assistance needed, a farm to farm survey was made of the families to be displaced or whose farm operations would be directly affected by the defense project. This statement summarizes briefly the results of this survey, reviews the steps taken to date to meet some of the problems and points out some of the factors which need to be considered if the adverse impacts likely to result from the location of such a project in a rural area are to be held to a minimum.

RESULTS OF THE AREA SURVEY

As indicated, a rather carefully conducted farm survey was deemed essential as an initial step in determining the extent and type of assistance needed by the farm families living in or near the project area. After the preparation of a schedule, trained personnel were assigned by the Agricultural Extension Service, the Bureau of Agricultural Economics, the Farm Security Administration, and the Federal Land Bank to conduct the survey. The results are summarized briefly in the accompanying table.

At the time the survey was conducted somewhat over 17,000 acres or approximately 27 sections of land were included in the project area. Personal interviews were held with or schedules obtained for 111 of the 112 families directly affected. Of the 111 families, 5 have made plans for relocation and 12 live outside the area with sufficient land remaining so that an immediate readjustment does not appear necessary. Several of this group, however, must ultimately face a rather serious reorganization problem. Of the remaining 79 families desiring relocation on farms, 39 wish to purchase land and 40 wish to rent. With respect to the other 15 families, 6 plan to retire and 9 plan to enter nonagricultural employment.

Seventy-three of the farms have all of their land in the area and approximately two-thirds of the total land area is tenant-operated. Twenty-eight of the farms contain less than 160 acres each, and there is a distinct tendency for the part-owner and tenant-operated farms to be larger than the owner-operated farms.

The 95 households furnishing information relative to family composition averaged 3.5 persons per family and 54 percent of them had members under 21 years

of age with an average of 2.1 children per family. There appeared to be no relation between family composition and tenure status other than that more of the part-owner and tenant families had children under 21 years of age.

IMMEDIATE PROBLEMS

Undoubtedly the most serious and immediate problems facing the families to be displaced are those of finding temporary living quarters (19 families), assuming that they will be asked to vacate during the winter and early spring months, and that of finding farms to operate in 1942 (79 families). In Nebraska, the common lease year extends from March 1 to February 28, and unless notice to vacate is given prior to September 1 the farm may be held for the following crop year. Thus it will be difficult to find new locations and unless they are obtained by the breaking down of larger units or through voluntary retirement or change in occupational status of the existing operator, secondary displacements will result and the problem will be merely passed on rather than alleviated. To assist the families to be displaced in meeting these problems, inquiries have gone out to Saunders and the adjoining counties for lists of farms that would be available for 1942 either through purchase or lease. A survey is also being conducted in Saunders County to locate farmsteads that would be available for temporary living quarters. When asked to express a relocation preference about 50 percent of the operators having a relocation problem indicated in or near Saunders County, 25 percent northeast Nebraska, and the remainder indicated other States including Iowa, Illinois, Missouri, Oregon, and Wyoming. Sixty-five farmers have asked for advisory assistance primarily in locating farms, and 23 farmers have requested assistance in locating temporary quarters. With respect to financial assistance only 17 farmers expressed such a need at the time of the survey and this was primarily for rehabilitation. Requests for financial assistance including that for purchase of land may be increased particularly if difficulty and delay in relocating is experienced.

Operators classified by tenure status with respect to—

FUTURE PLANS

Type of tenure and number of operators	To discontinue farming for—		To continue farming—			
	Retirement	Non-agricultural employment	Arrangements made to		No arrangements made—desire to—	
			Re-main	Re-locate	Pur-chase	Rent
Owners (31).....	6	1	1	3	18	2
Part owners (21).....	0	3	5	1	9	3
Tenants (59).....	0	5	6	1	12	35
Total (111).....	6	9	12	5	39	40

SIZE OF FARM OPERATED IN 1941

Type of tenure and number of operators	Aeres and number of farms					
	Under 100	100-149	150-179	180-259	260-379	380 and over
Owners (31).....	5	7	12	3	3	1
Part owners (21).....	0	3	3	9	6	0
Tenants (59).....	5	8	13	17	12	3
Total (110).....	10	18	28	29	21	4

Operators classified by tenure status with respect to—Continued

SIZE AND COMPOSITION OF HOUSEHOLDS

Type of tenure	Households		Persons in household		Households with children or youth under 21 years of age		
	Total	Number reporting	Number	Average	Number	Per cent	Average number
Owners.....	31	27	88	3.3	10	37	2.2
Part owners.....	21	18	65	3.6	11	61	2.2
Tenants.....	59	50	178	3.6	30	60	2.0
Total.....	111	95	331	3.5	51	54	2.1

ASSISTANCE REQUESTED

Type of tenure	Financial	Temporary quarters for—		Advisory
		Family	Stock machinery	
Owners.....	5	8	2	15
Part owners.....	3	2	4	14
Tenants.....	9	9	17	36
Total.....	17	19	23	65

FACTORS TO BE CONSIDERED IF ADVERSE IMPACTS ARE TO BE HELD TO A MINIMUM

The committee recognizes the need for and accepts without question the location and building of the Saunders County and similar plants as a part of the defense program. Its only concern and that of the various agricultural agencies is to assist the people affected in making the necessary adjustments.

It is assumed that the landowners will obtain a reasonable price for their land. This, however, does not solve all of the ownership or other problems associated with the construction of such plants. As an illustration, one case has been called to the attention of the committee that of an owner-operator with a rather heavily mortgaged farm, one-half of which is in the area and one-half out. Because the buildings are on that part of the farm lying outside the area, the appraisal price is rather low. This will have the effect of increasing the mortgage on the land retained and reducing the farm in size to the point where it has little or no debt-paying ability. Although there may not be many such instances, it does suggest that all cases should be carefully reviewed and facilities developed for making adjustments where needed.

The problems of primary and secondary displacements and relocation have already been discussed and no further statement needs to be made other than it would be desirable to use every facility available to hold the adverse impacts to a minimum. There are, however, two other problems that merit consideration. First, some means should be provided for making direct adjustments to the farm operators for recent plantings and cultural practices and other privileges for which full benefits have not yet been received. Second, direct effects to the community such as the reduction in tax base and interruption of various community services should be studied carefully and means of securing equitable adjustments developed. In addition, the probable impacts of the development of the plant itself upon the community should be studied and every effort made to develop a proper balance between industrial and agricultural activities and to conserve in the adjoining area the recognized advantages of rural life to the greatest possible extent.

TESTIMONY OF DR. O. H. PERSON—Resumed

Mr. ARNOLD. In your capacity as mayor, can you tell us something about the displacement of farmers in your country? Where is this plant to be located in reference to the surrounding cities and towns?

Mr. PERSON. Approximately 5 miles east from the corporate limits of Wahoo and 2 miles north of Memphis; about 2 miles east of Ithaca; and a half mile south of Mead.

Mr. ARNOLD. What are the sizes of those towns?

Mr. PERSON. Wahoo has a population of about 2,700. Memphis, 100; Ithaca, not over 100.

Mr. CURTIS. How big is Mead?

Mr. PERSON. Mead is about 260.

Mr. ARNOLD. In what direction is Lincoln and how far from Lincoln is the plant?

Mr. PERSON. The south edge of the district taken in by this ordinance plant is, I would say, 25 miles due north and about 7 to 8 miles east of Lincoln.

Mr. ARNOLD. About 40 miles from Omaha?

Mr. PERSON. Yes.

Mr. ARNOLD. Any other cities in the vicinity of this plant?

Mr. PERSON. Yutan is a town of about 270 population. It lies within 4 or 5 miles of the plant.

Mr. ARNOLD. How much land is to be taken over by the plant?

Mr. PERSON. I understand somewhere in the neighborhood of 27 to 28 sections.

Mr. ARNOLD. How many men are to be employed in the construction?

Mr. PERSON. I have no idea.

Mr. ARNOLD. You and your city officials went to Burlington, Iowa, and Wilmington, Ill., when you first heard about this project. What was the purpose of your trip?

Mr. PERSON. Our only way of obtaining information relative to the problems that might confront us was to visit some of the towns that had ordnance plants. So several of us spent 3 days visiting the plants at Burlington and Wilmington.

Mr. ARNOLD. Did you get much information of the kind you wanted?

Mr. PERSON. I think we got considerable information in one way. In another way we didn't. We are in hopes that the new plant will be of benefit to us. At least, we satisfied ourselves that we had done all we could for our people and the community.

Mr. ARNOLD. Did you find that the officials in those other towns knew any more to start with than you know?

Mr. PERSON. No. They didn't know anything whatsoever. They knew less than we know now—if that is possible.

Mr. CURTIS. Are you confronted with the problem of a lot of suggestions and stories without foundation? Is that one of your headaches?

Mr. PERSON. No; I don't believe so.

Mr. CURTIS. I did not mean to accuse anyone, but sometimes the problems that worry us most never show up. You have taken steps to meet problems such as sewerage and housing?

Mr. PERSON. Yes, sir.

Mr. ARNOLD. But you are in a predicament?

Mr. PERSON. Yes, sir.

Mr. ARNOLD. And you have decided it is going to be beyond your reach to house all the people to be needed in that plant?

Mr. PERSON. Yes, sir.

Mr. ARNOLD. You are going to have Government aid?

Mr. PERSON. Yes. But with that, we are willing to cooperate as much as is within our power in any way possible.

Mr. ARNOLD. Have you any specific recommendations to make to this committee about preparing for the impact of what is to come? Do you feel that this committee can be helpful to you?

WOULD LIKE NOTICE OF DEFENSE REQUIREMENTS

Mr. PERSON. I have stated to Mr. Tipton¹ that I believe that if the Government saw fit to send a man to us who would give us some idea of the things that we should do, it would be a great help to us. No one has come to us to tell us anything.

We are not interested in what is going to go on within the ordnance plant. All we are interested in is to meet the problems that are going to confront us, such as housing and sanitation, and so forth. We had to go out and get the information we have, which I am sure is not all that we should have, and we are undoubtedly leaving many things undone that we should do, simply due to the fact that we don't know what to do. I can't see why someone couldn't come to us, or have come to us earlier, and given us the information that we received by going out.

We have no idea as to how many people might come there. We expect and hope the incoming population will be divided pretty well among communities of the entire county.

TRAILER CAMPS

I don't presume anyone knows how many will come in trailers. We are at a loss to know what preparations to make for trailers. We have made some preparations for trailer camps. I believe that we can point to them with pride and say: "That is one of the trailer camps that is within the corporate limits or adjoining the city of Wahoo, connected with this ordnance plant."

Due to the information that we gained at these other places, we saw fit to start this before they came. That was their great problem in those other places. The people came in and they weren't prepared for them. They had nothing laid out for them. Our trailer camps are all laid out, with streets and all facilities.

Mr. ARNOLD. You will need some roads?

Mr. PERSON. Yes.

Mr. ARNOLD. The President recently signed a bill for defense housing.

But you don't know where any such defense housing will be built. If the Government builds, it might not be in your city; it might be in the area of the plant.

Mr. PERSON. We are hoping it will come somewhere near us, anyway.

Mr. ARNOLD. You are happy to be getting this plant in your area, even though it may bring some problems with it?

¹ Reference is to Harold Tipton, field investigator, Select Committee Investigating National Defense Migration.

Mr. PERSON. Yes, sir. I believe that we are entitled to some of the extra work and responsibility with the rest of the country; and I also believe the rest of the country should share part of our expense.

Mr. ARNOLD. In the way of providing housing and sewers?

Mr. PERSON. Certainly.

Mr. ARNOLD. Schools and everything that goes with the enlargement of your city?

Mr. PERSON. Yes, sir.

Mr. ARNOLD. I suppose you have heard some complaints from the farmers who have been displaced?

Mr. PERSON. Yes, sir.

DISPLACEMENT OF FARM FAMILIES

Mr. ARNOLD. We all agree that it is a very serious matter to uproot families from their land and force them to move, but we realize that something of this sort is unavoidable. Can you tell us briefly what the complaints have been and what the basis for these complaints is?

Mr. PERSON. Many of them, I believe, are the result of the same condition that confronts us. We had no one to give us any information. Rumors put everybody into a more or less unsettled state of mind, and the farmers, especially the renters, began to be afraid they were not going to get anything for moving or for their leases. They had taken out insurance on their wheat, and when they took this insurance out they were assured that the insurance covered loss from any cause; and they are wondering if this will not be a complete loss to them of their wheat, and why they shouldn't be entitled to compensation.

Mr. CURTIS. I think you have made a good point there. It is not in the province of this committee to answer all those questions. It is your thought that the Crop Insurance Division of the Department of Agriculture, the Farm Tenancy, and Farm Security Administration, and all the agencies of the Federal Government, should go just as far as possible in helping these people?

Mr. PERSON. Yes, sir. I don't believe they are going far enough to help the renters.

Mr. CURTIS. I was interested in your statement that there were rumors and confusion and fears, and that it has been hard to get any information. I thought you were, at first, describing the city of Washington. That is a busy place these days, and it is not possible for the Federal Government to foresee some of these things, nor to pick men who can tell you more than you know now. But I feel that out of hearings like this we shall have some material in the printed record that may be passed on to the Crop Insurance Division and the other agencies; and we shall urge them to give this matter immediate and serious consideration.

If you have any suggestions, we will be glad to get them, and our record will be open.

Mr. PERSON. I believe the renter is entitled to something for moving, and if he doesn't get it, he becomes another problem. If this defense project hadn't been located in this territory, the renter would not have been confronted with that problem. After all, it is not his problem; it is the problem of the United States.

Mr. TIPTON. I have a number of letters bearing on problems arising from the location of the Wahoo plant, which I should like to place in the record at this point.

The CHAIRMAN. This may be done.

(The matter referred to is as follows:)

LETTERS BEARING ON THE WAHOO BOMB-LOADING PLANT

WAHOO, NEBR., November 15, 1941.

To the House Committee Investigating National Defense Migration,
Post Office Building, Omaha, Nebr.

GENTLEMEN: In response to your request for a statement discussing the tax problems which will arise in Saunders County, Nebr., by reason of the selection therein of a site for an ordnance plant, may I state my opinion to be as follows:

The ordnance plant site will take up approximately 27 sections of agricultural land, or approximately 17,000 acres. An examination of the assessed value of real property, together with improvements, indicates that the average value of this land per acre is the sum of \$70. There will be removed from the tax rolls, therefore, valuations in excess of \$1,200,000. An examination of the personal property assessed in the plant-site area for the calendar year 1941 indicates that there will be removed from the area personal property estimated to be worth \$180,000. Some of the farmers who will be dispossessed may obtain other farms in Saunders County. Where this is the case, then some tenant farmer will be dispossessed. It follows, therefore, that a considerable part of this personal property will not appear on the tax rolls of Saunders County for the fiscal year of 1942.

By reason of this loss of tax valuation, the tax revenues of the county for the year 1942 will be diminished by a sum which approximates \$6,000. The taxes for the year 1941, which have been assessed against this real estate, do not become a lien under Nebraska law until January 1, 1942. Therefore, in every instance where the Federal Government acquires title to any real estate in the site area prior to January 1, 1942, the county will lose the amount of the 1941 taxes, as well.

Under Nebraska law there is no way by which a county may recoup this loss in tax revenue by imposing any tax on those construction workers who will establish a residence in Saunders County during the fiscal year 1942. A personal property tax may be levied only on those persons who establish a legal residence in the county. We anticipate that a large group of the construction workers will establish legal residences at Omaha, Douglas County, at Lincoln, Lancaster County, and at Fremont, Dodge County, Nebr. There will be imposed upon the county of Saunders a duty to furnish proper police protection for persons and property of the construction workers and to expend money for supervision in matters of health, sanitation, and housing for such construction workers as do establish a residence in Saunders County. I have conservatively estimated this cost at a sum not less than \$10,000, half of which sum will be for police protection alone. I do not make any estimate of increased costs for similar services and for the discharge of similar duties by the respective cities, villages, and school districts of the county.

Under the constitution of Nebraska, and the relevant statutes, the county is not permitted to levy more than 3.7 mills for general county purposes and 1 mill for emergency relief. The county of Saunders is now levying the legal maximum. Hence, there can be no increase in the levy of taxes for county purposes. Consequently, in order to offset the loss of tax revenues and the increased expenditures for public health and safety, the county must reduce appropriations in other departments of county government. Since the land which is taken is, for the most part, level table land and has given county officials no special problems as regards roads and bridges, the county is not relieved of any unusual burden once the Government takes jurisdiction of the land. The greater burden upon the county, as regards roads and bridges, has come from other sections of the county where the land is rolling and there is greater need for bridge and road work; that is to say, the cost per section of maintaining roads and bridges in the plant site area has always been much less than the cost per section of land in other parts of the county. The burdens to be borne by the taxpayers of the county have not been lightened by the taking by the Government of this large area of rather level table land.

It is assumed that the county may recover some tax valuation at some time in the future when operation of the plant has commenced. It is assumed that new business establishments may be located in the county, and that perhaps values of urban real estate may rise. A prudent and conservative estimate of this possible gain leads me to the conclusion that such increase in tax valuation as may result therefrom will be inconsiderable when one considers the constant burden which must be assumed by the county in discharging its statutory duties as regards health and public safety; that is to say, that the increase in the popu-

lation in the county, once the plant is in operation, will increase the cost of county government to an amount greater than the possible gain in tax revenues by reason of the increase in population.

Yours respectfully,

W. T. GLEESON,
County Attorney, Saunders County, Nebr.

LINCOLN, NEBR., *November 19, 1941.*

Regarding your request concerning the sanitation and health problems in the Saunders County area, we report the following:

It is quite evident that the towns in the immediate vicinity of the bomb loading plant will need either a Federal grant or loan to meet the increased demands for additional water supply and sewage disposal plants. These facilities in the main cannot be furnished by the community involved. Some of the communities will need some additional assistance for enlarging their school facilities.

A health unit should be established with a health director, sanitary engineer, sanitarian, and nurses. This unit is now in the process of formation. The State health department will need additional assistance in supplying both the funds and personnel either from the State, the local community, or the Federal Government. I believe in this instance the Federal Government should furnish the bulk of the funds necessary to the establishment of a proper health unit. The personnel of the health unit could assist the communities in the problems of water supply, sewage disposal, and the proper handling of food and milk. A survey is being conducted this week by the United States Public Health Service and our State department of health which should give additional information regarding the sanitary measures that might be needed.

The rural area should have the assistance and cooperation of the Work Projects Administration and have a preference rating in the establishment of the necessary sanitary privy units in order to protect the community from unnecessary contamination. The State department of health is recommending a vaccination program against smallpox and an immunization against diphtheria. This is being carried out extensively in the Cass-Sarpy County area. We recommend this vaccination and immunization program for every employee working on this bomb loading plant.

There should be a more adequate inspection of milk, food, and food handlers. The program would include proper garbage and sewage disposal.

In a recent meeting of all the municipal and county officials in Saunders County, a program for handling sanitation problems was suggested. The rules and regulations of the State health department should be adopted in regard to the trailers, trailer camps, and camp sites. These rules and regulations have been formulated and are now in the hands of the proper municipal authorities. There is a splendid cooperation among all of the political subdivisions. The State department of health will continue to assist them as the problems of health and sanitation arise.

A. L. MILLER, M. D.,
Director, State Department of Health.

STATE OF NEBRASKA,
Bellevue, November 21, 1941.

HAROLD G. TIPTON,

*Field Investigator, 411-412 Post Office Building,
Omaha, Nebr.*

DEAR MR. TIPTON: In answer to your request relative to health conditions arising in this area, due to an influx of defense workers and their families, we submit the following:

1. Adequate school and recreational facilities cannot be furnished by the local communities affected by this defense project.

2. Slightly over one-half of the estimated 1,000 housing units necessary to house these people are now under construction. Most of the 551 houses are financed by Federal Housing Administration insured loans and are being built by local businessmen.

3. Most of the larger towns in this defense zone have approved Work Projects Administration projects for extension and rebuilding of sewer systems and water-works systems. The individual towns are contributing their share toward the improvements according to Work Projects Administration requirements, but the work is progressing much too slowly to meet initial and immediate community needs.

4. At present the personnel of the health department in this area is financed entirely by the Federal Government and the State.

5. Control of communicable diseases in this area is being done by chemical quarantine for control of venereal diseases. A program of vaccination and immunization is being conducted in this area. It is supported by the State and local people.

Sincerely yours,

A. L. MILLER, M. D.,
Director, State Department of Health.
 DR. L. E. KLING,
Director, District Health Unit.

FARMERS STATE BANK

CHARTER 687

ITHACA, NEBR., *November 19, 1941.*

Mr. HAROLD G. TIPTON, *Field Supervisor,*
House Committee Investigating National Defense Migration,
Omaha, Nebr.

DEAR SIR: With reference to your letter of the 18th, we believe that the most important problems facing our community as a result of the Federal bombshell loading plant to be erected in this locality are as follows:

1. Housing.
2. Sanitation and health.
3. Adequate water supply.
4. Roads and transportation facilities.

Housing.—We have only three vacant dwellings in town and one vacant business property. The dwellings are old and dilapidated and the owners are without adequate capital and initiative to go ahead and fix them up in proper condition for rental. The business property is old and needs repairs but the owner is willing to rent at a small rental, if the lessee wants to repair the premises. A long-term lease can be secured.

Further, with reference to housing, we intend to appoint a local committee to canvass our town and farm area, securing the names of all parties who will rent rooms, or room and board, so that we will be able to accommodate as many workers as possible. We have also discussed setting up a trailer camp, but it is hard to get anyone interested in this proposition on account of the capital investment needed to commence this business.

Sanitation and health.—We have started work on our ordinances in this village to conform with the State board of health requirements.

Water.—We do not have a water or sewerage system, as the assessed valuation on taxable property in Ithaca is too small to permit such a large expenditure as this would require. The assessed valuation of all property in this village is \$64,615, and the State limits the water levy to 7 percent. If we have a large influx of workers, a water system would be imperative.

Roads and transportation.—Our town is located on a graveled road, but the west side of the plant area is 2 miles east of town, and the entire west side is located on a dirt road. Unless the roads are paved around the plant and the roads are paved to the nearby towns, it is my opinion that the towns without hard-surfaced roads will not have many workers living there. They will want to stay in a place where the road is good under all conditions.

Schools.—We have a 10-grade school that we believe is adequate, as 1 room in the school building is not being used at present, but in case of necessity it could be made into a classroom.

I trust this will give you a rough outline of our problems, and if you know the right solution to them, it would be of great help to us. If I can be of further service to you, please advise.

Yours very truly,

FRED W. WAGNER.

OFFICE OF COUNTY SHERIFF, SAUNDERS COUNTY,
Wahoo, Nebr., November 13, 1941.

Mr. HAROLD G. TIPTON,

Field Investigator, House Committee Investigating, Omaha, Nebr.

DEAR MR. TIPTON: In reply to your letter of the 12th, regarding the problems confronting the officials of Saunders County.

We had a meeting Wednesday, November 5, 1941, at 8:15 p. m. called for the purpose of formulating rules and regulations of camps, mainly trailer camps. Following is a copy of part of the minutes of that meeting.

The county board of health called a meeting of representatives from the various towns in the county in the courtroom on the evening of November 5, 1941. The board consists of three members: The sheriff, Clarence E. Hagstrom, chairman and quarantine officer; a physician, Charles W. Way, M. D., medical adviser; and the superintendent of public instruction, James F. Callaway, as secretary. The meeting was called to order by the chairman of the county board of health, Sheriff C. E. Hagstrom.

Dr. A. L. Miller, State health officer, was introduced to the group by Dr. Charles W. Way. Dr. Miller mentioned some of the problems which confront us as a result of the location by the War Department of a site for the erection of a bomb-loading plant in our county. He also mentioned some of the obligations of the county.

Dr. Miller introduced Mr. Filipi, who discussed some needs which confront us as a county, such as water supply, garbage disposal, milk supply and source, restaurants, taverns, etc. Trailer camps were mentioned as a major problem; housing, zoning, sanitation, etc. It was their desire if any difficulties arise that the State health officers act in an advisory capacity. "Codes and regulations should be uniform as far as the county is concerned," he stated, "Cooperation is important and rules and regulations should be strict enough but not too strict so that they may be met as far as enforcing them is concerned."

The motion was made by Dr. Person, and seconded by Mr. Cleon Deeb, that a rules and regulations committee consisting of the county board of health, county commissioners, and the mayor of each incorporated town or village or someone appointed by him to act as a committee for drawing up a set of rules and regulations for the county. The motion was carried. The date is to be set by that committee.

Out of the rules and regulations committee three members were appointed to draw up temporary rules, etc., and call a meeting in the near future which has been set for Monday, November 17, at 8 p. m., at which time we hope to adopt rules and regulations.

As far as the law enforcement is concerned nothing much was said about that at that time. The smaller towns in the county, will no doubt have to put on police, most of them have no police officer now. When they appoint their men we will then have a meeting to discuss those problems.

I don't see any need for making 50 copies of our meeting as nothing has been decided on definitely as yet, if after we have our rules and regulations adopted you would want copies of them we would supply them.

Hoping this is satisfactory for the present, and with assured cooperation, I am,

Yours very truly,

C. E. HAGSTROM,
Sheriff, Saunders County, Wahoo, Nebr.

LETTERS RECEIVED FROM SAUNDERS COUNTY FARMERS

MEAD, NEBR., November 22, 1941.

Mr. HAROLD G. TIPTON.

DEAR SIR: I am very much dissatisfied with the deal that we are getting from the Government in more than one way. One of the first is the price we are being paid for our land. I am an owner and tenant. I think the tenant should be paid personally instead of through his landlord. He has his plowing, seeding, and has to give up his lease, and whatever the landlord sees fit he may pay him. It doesn't seem like the tenant or farmer has anything to say. They come and tell him they are going to put a shell-loading plant on his land and that he has to get out and no arguments. They send men around to appraise and

tell you what your property and homes are worth and where you go is your lookout.

We have to sell our corn for market price when we have qualified for a loan of 72 cents per bushel which at the present price would be a loss of 18 cents per bushel. A person has to sacrifice his machinery if he doesn't get another farm to rent. Then if he rents a house in town to get a job he has to pay a very high rent and just where is this money for moving coming from?

It looks to me like the War Department knows all the answers; just let them figure this out. I am moving about 40 miles. Forty tons of hay to bale at \$2 a ton, for hauling, \$2 a ton, making it \$4 just for my hay alone and that's only a start.

I think that as easy as it is to send food and help to other countries that each tenant ought to receive at least \$500 for his lease and moving expenses. And again don't pay it to the landowner but to the tenant personally.

I have enough patriotism in me, that if they have to put a shell-loading plant here, well, I am ready to move, but let them show some appreciation, too. Sincerely, a tenant and owner of the shell-loading zone.

H. W. LEHR, *Mead, Nebr.*

MEAD, NEBR.,
November 22, 1941.

DEAR SIR: We are writing you in regard to the appraisals value of our land, the land we think is appraised \$45 to \$60 per acre lower in value than it is actually worth. What we want is market value and if we are to replace our land we will have to pay that much or more, and we think the renters should be paid the value of their leases also.

Yours truly,

MRS. MARY T. CHARLING.
E. L. CHARLING.

MEAD, NEBR.,
November 21, 1941.

DEAR SIR: I understand that you have something to do with the mass meeting that is to be held in Omaha for the bomb-loading plant in this county.

Being a young farmer, I feel it is my duty to give you a few points on the loss on the renters' side of the question.

Starting to farm yast year I spent \$2,000 cash of my savings for farm machinery, being too late to rent a farm for next year. Where am I going to draw interest on this money? Besides, this machinery is losing its value.

I have 15 head of milk cows. What am I going to do with these? If I have to sell them I know I am going to take a good loss. That also goes for any other stock, such as my horses, hogs, and poultry.

I have 20 tons of alfalfa put up in the barn which took plenty of hard work, besides spending \$50 for the ground (this again will have to be mowed). Besides this, there are oats and other small grain.

I have full-plowed more than 70 acres of ground, which cannot be done on a cost less than \$1.50 acre. I have put in this fall 60 acres of wheat. Rye and new seeding of alfalfa at a cost of about \$6 an acre.

Still the Government gave the renter nothing, unless he can collect some from his landlord. In other words, if someone have come to me, and made me an offer to take my place and I take my things and move, I would have to ask at least a \$1,000. Now, I have to move and take nothing.

Besides this, I am giving up one of the best farms in the county. This place belongs to Frank Braber. (No relative of mine.)

CLARENCE KARLOFF.

ASHLAND, NEBR.,
November 21, 1941.

DEAR SIR: I understand there is to be a hearing on the complaints in connection with the ordnance plant in Saunders County, Nebr. My complaint is this: We cannot replace our homes with homes of equal productive value and convenience for the prices we are offered for our homes. I own 40 acres unim-

proved purchased in normal times, just before the depression, for \$150 per acre and appraised by the Omaha National Co. at \$180. This adjoins the farm owned by my father-in-law, which was later to be my home. This land, with 6-room modern house, 28 by 36 hip-roof barn with 16 by 36 shed on one side, 31 by 32 double corn crib, 14 by 32 cow barn, 18 by 36 chicken house, hog house 12 by 24, garage 10 by 18, 16 by 24 wash house, 10 by 12 meat house all in very excellent repair and all except the wash house on concrete foundations and with cement floors throughout is appraised at \$131 per acre. Two of the first farms sold were optioned at \$160 and \$162.50 per acre and one farm which I term of the poorest quality farms in the project sold for \$117, while one owner, John D. Schmidt, who has 171 acres, some of which is not good land and some of the very best in the district was offered an option of \$60 per acre. I have done soil-conservation work on most farms in this project location during the last 7 years of the farm programs. Those top-price farms are no more valuable or productive than our farm or some of my neighbors' farms which have a lesser option.

Sincerely,

LEWIS W. ROGERS.

Mrs. MAGGIE DEAN,
Yutan, Nebr.

DEAR SIR: This letter is to inform you of some of the reasons why we do not want to sell our farms.

First, it is our home and has been for 60 years. It is in the dead of winter. We are not given a price that we can use to replace it, our buildings are the better buildings of the country.

Our land is the best; you can't replace it. Our neighbors are the best, and we will be scattered to the four winds.

M. D.

YUTAN, NEBR., November 22, 1941.

DEAR SIR: We are protesting to the treatment the tenants are receiving in the bomb-loading plant area near Mead.

We are tenants and are receiving nothing for being put out of our home; we are told we will be paid for our wheat and alfalfa but, as you know, that will be paid to the landlord.

What we want is pay for our lease, not just for wheat and alfalfa. It is utterly impossible to rent another farm at this time of year, that's why we should be paid for our lease; we're being put out just as winter is on us and no place to go.

Farming is our business. We stayed with it during the worst drought that's ever been known in these parts without taking relief or commodities of any kind. Now that we're to be thrown out of our business we know not how soon we'll have to accept relief, and we've certainly never wanted to be on relief.

Pay us, the tenant, for our lease, that we'll have something to go on for another year till we can find a place to rent.

Respectfully,

(Signed) Mr. and Mrs. IVAN E. ARMSTRONG.

YUTAN, NEBR., November 21, 1941.

DEAR SIR: AS I have been informed there will be a public hearing in Omaha next Tuesday in the case of landowners and tenants regarding the acquisition of lands and leases by the Government in the shell-loading plant near Wahoo, Nebr. I want to briefly state my own case for your information or the proper officials who may desire such information.

First, I am a tenant on a 200-acre farm and had secured a lease on this farm for the next year, which is owned by my parents and their only means of support. My farming operations consist chiefly of keeping and building up a good small dairy herd, feeding and fattening some steers and hogs for the market, besides practicing diversified farming in rotation of crops. My point of contention is that I will be deprived of my business of operations as planned, because it is too late to lease another farm equipped for feeding and dairying at this time of the

year. Where located we have an outlet for dairy products by being close to a large central market—namely, the city of Omaha—also, low freight rates by being in the Omaha milkshed; the South Omaha livestock market for our finished cattle and hogs, which also means low freight rates because of the nearness of a terminal livestock market.

Hoping these remarks will throw some light on the subject from a tenant's viewpoint, I remain,

Yours truly,

(Signed) HERMAN BROMM.

MEAD, NEBR., November 22, 1941.

DEAR SIR: I am protesting the way the renter is treated (in the bomb-loading plant). I think the renter should be paid directly. And the owner should have enough so he can duplicate his place.

Yours truly,

(Signed) L. R. POWERS.

ASHLAND, NEBR., November 22, 1941.

DEAR SIR: I am objecting to the price offered for the land and the way the renter is being treated in the proposed bomb-loading project.

I believe the renter should be paid for the crop he has in and for the reserved lease directly. Most landowners are being offered less for their place than they have in them. They cannot go out and purchase land at inflated prices on these poor offers.

I represent my father as a landowner and myself as a renter.

Thanking you for, and consideration and backing in, our cause.

Yours truly,

(Signed) LEONARD LAUDENSCHLAGER.

ASHLAND, NEBR., November 22, 1941.

DEAR SIR: To give up our homes we spent lifetime building, neglecting self, health, saving, paying down every cent on Federal loan, doing without necessities, that we might have a home in old age, that is my case, as is also case of many others in this district. I could in time get my farm paid off. If the Government takes my home from me at the price they are paying, what am I to do at the age of 64 when I get the \$3,500 paid off and some back tax. My health poor. We plead for fairness, that the Government pay us nothing less than our men of sound sense and reason are asking for us, so we may be able to buy somewhere else a home—home that can never replace the homes the Government is taking from us. Please be just with we unfortunate farmers and farmerettes.

Very sincerely,

(Signed) FRANCES C. SEMENEC.

ASHLAND, NEBR., November 22, 1941.

DEAR SIR: In answer to the question of why I am dissatisfied with the proposition the War Department offers me as a tenant on the farm of the Wahoo bomb-loading district. In the first place, I am dissatisfied because I am left with absolutely no means of making a living for my family in 1942. I am robbed of the money it cost me to rent this place and start a crop of wheat, rye, and pasture for next year. You say I should be satisfied because I am eligible for Farm Security Administration. Yes. I'm placed in a position where I must mortgage everything to the Government and pay them interest. I must sacrifice every freedom I have had. Through 7 years of depression and drought I have kept my family off of Public Works Administration, and so forth. I have had no charity whatsoever. Now, when I have built up a herd of livestock and rented a good farm and things seemed to be turning my way, with good prices and plenty of moisture, the Government asks me to sacrifice all this and the only hope they offer is to borrow money and tie myself to them.

I am told by the Government men I will be paid a certain sum for my crop, but I will have to settle that with my landlord.

The War Department is buying the land from the owners, taking it at foreclosure prices, never thinking of paying them for their homes which they are sacrificing or even making it possible for them to pay us even for our crop, let alone the fact that we are left without a job and will perhaps have to sacrifice our livestock and machinery.

Gentlemen, we feel the War Department should settle with us as individuals, as it is absolutely unfair to expect us to force it out of our landlord. They are willing that we should be paid but when forced to sell at foreclosure prices they can't pay us.

If you are in any position to make a plea for us please make it known that we should be settled with individually and we must be paid for our lease in order that we should have something to go ahead with for the year 1942.

Respectfully yours,

(Signed) EARL ROBBINS,
MRS. EARL ROBBINS.

MEAD, NEBR., November 22, 1941.

DEAR SIR: I'm one of the many farmers out in the bomb-loading district out near Mead which probably will have to move.

I'm a renter of F. A. Forgette, which I rent 320 acres. And I got all modern machinery to farm it with. And I don't think we renters are getting a fair deal if the Government don't settle with us instead of the landlord. Just on this one reason cause we will have to vacate inside of 30 to 60 days and we are not entitled to a Government loan on our corn which is 72 cents per bushel and the market in Mead today is only 52 cents. Now, I think the Government should take care of that and pay at least \$5 per acre because we are all out of a year's income, which is pretty hard to take.

Most of us farmers are not very much flushed with money. It's pretty hard to sell out and be without a farm. We could not lay around a year and start up farming again.

All of us renters have been all set to go for next year and this kinda upsets things. I plowed 125 acres for corn next year and have all my wheat put in and looks like I'm pretty sure of a crop. I have 42 acres of wheat.

Yours very truly,

(Signed) JOHNNIE SPECKMANN.

ASHLAND, NEBR., November 23, 1941.

HAROLD G. TIPTON,
411-412 Post Office Building.

DEAR SIR: My mother is not satisfied with the price paid for her land. She lost \$50 an acre, or \$4,000. She thinks it is unfair that some people are getting more for their land than others.

We are the renters and have no place to move and no money to live on. This puts us out of a home. I have a wife and two small children and no place for them. They are not even paying the renters for their lease for another year.

Yours truly,

ELMER WAGNER.

MEAD, NEBR., November 23, 1941.

MR. HAROLD G. TIPTON,
411-412 Post Office Building, Omaha, Nebr.

DEAR SIR: As an owner of a farm in a proposed bomb-loading plant district, I am sorry to say, but I am not satisfied with the appraised purchase price of my farm. Land which is adjoining ours has been appraised at \$150 an acre, and ours at only \$138. The amount of acres is the same and there would not be very much difference of valuation of the buildings as a whole.

Why there should be such a difference in price, I can't understand, for the soil is the same.

This farm is a homestead, and is in the third generation. I would not have sold for any other reason.

I am only asking for a little consideration on my part. I am a natural-born citizen of the United States of America and feel that if this land is needed for such a purpose to protect our country I will gladly sell it, but feel that I should be paid what it is worth, and what it means as a homestead.

Sincerely,

Mrs. ROSA LEHR.

MEAD, NEBR., November 21, 1941.

Mr. HAROLD G. TIPTON,

Omaha, Nebr.

DEAR SIR: Having been informed of the public hearing on options given on farms in this area I feel we are not paid enough for farms.

I have been offered an option of \$118 per acre on 115.5 acres that I paid \$132.50 for a few years ago. I have repaired buildings and improved land under conservation program and have not been able to find anything to compare to it in quality or nearness to market at less than from \$150 to \$165 per acre. In fact, a tract of land just 4 miles from my home that was listed at \$85 sold for \$135 last week.

We feel the tenants are not getting fair treatment. We have complied with the Government program taking 26 to 30 percent of our crops out of production to be eligible for a loan of 72 cents per bushel on 1941 corn, and now feel it is very unjust to be obliged to market it at 52 cents per bushel.

Very truly yours,

FRED A. FORGETTE.

ASHLAND, NEBR., November 23, 1941.

GENTLEMAN: My reason for protesting is because I am forced to sell my good, valuable land, for a great deal less money than I am able to buy land back for elsewhere. I was informed by an attorney that I would be allowed extra for my homestead right, which they refuse to pay me anything for.

Second reason I protest is because of a division on my place for the sale of two houses. One belonging to a relative, allowing her a premium for her property, causing me to settle the deal with her at my expense, instead of themselves transacting the business as it should be fairly done.

Yours truly,

FRANK SEMENEC.

ITHACA, NEBR., November 24, 1941.

Mr. HAROLD G. TIPTON,

Omaha, Nebr.

DEAR SIR: Just a few words in regard as to why we demand a fair price for our farms.

We are forced out of our homes before we have time to make plans, and compelled to take homes not as good for more money.

The great hardships and inconveniences involved—all an added expense—and it strikes me at a time when I could realize the height of my ambitions—just to have it snatched away. Sincerely hope someone can help us.

Yours truly,

GENEVA SEMENEC.

ASHLAND, NEBR., November 24, 1941.

HAROLD G. TIPTON,

Omaha, Nebr.

DEAR MR. TIPTON: We are writing in regard to the dissatisfaction we have in leaving our present home.

This is home to us. For this home we have strived through years of labor, hardship, and strife. This makes home dearer.

At the time we purchased this farm we paid \$227 per acre. Now we are forced to accept a forced sale at a much lower price. Which means we are suffering a great loss.

It certainly makes it much worse having to have to move in the cold winter. We hope we have given you some idea what this means to us.

Sincerely,

Mr. and Mrs. ERNEST G. BOHM.

MEAD, NEBR., *November 22, 1941.*

Mr. TIPTON,
Omaha, Nebr.

SIR: We are in the area being taken over by the Government for the bomb-loading plant and have signed the option, but felt at the time we were not receiving enough for our land, but the Government man at Wahoo in charge said it would be useless and costly to protest. We are to get \$16,400 for our 120 acres, but felt we should have had \$18,000, as our land is as good as any in the area and have very good improvements. I understand you asked that farmers dissatisfied with prices paid for their farms write you. Would appreciate anything you may be able to do.

Yours respectfully,

C. T. CHARLING.

MEAD, NEBR., *November 21, 1941.*

HAROLD G. TIPTON,
Omaha, Nebr.

DEAR SIR: A few lines to say what the Government is doing to us. We got a letter last week from the War Department to come in and sign the option for our land. Mr. Stamp went in, but did not sign. We feel very much unsatisfied with the price they are offering us. We are losing the actual cash that we have in this farm of \$15,000, not saying anything about the tax and the interest that we have paid all these 22 years. Now we been running around for a month looking for a place to live, which is a great expense of its own, and they are putting prices considerable higher since the Government is taking our land. So that's what we are facing, have to lose on our farm that the Government is taking, and have to pay high price for a place to live again.

We have come through all the dry years, have made every payment when it came due, and now the Government is putting us out of a home and land and our business with a great loss of \$15,000 or more, the actual cash we have in our farm.

We feel it's very unfair. Can there be something done about it? Also the Government is unfair to the tenants. They should make a settlement directly with them.

Sincerely,

Mr. and Mrs. FRED J. STAMP.

YUTAN, NEBR., *November 23, 1941*

HAROLD G. TIPTON,
Omaha, Nebr.

DEAR MR. TIPTON: I am a tenant on one of the farms taken in the bomb plant area. I have a lease for 5 years and have farmed this farm 20 years. I also rented 400 acres besides the 200-acre farm I am living on. I feed 500 to 600 cattle a year. I am equipped to take care of this business and have not been able to find anything like it. My banker at Wahoo went to Burlington, Iowa, and informed me an operator not as large as I am was paid \$3,000 for his inconvenience and I feel I am entitled to a settlement like it. I also feel I should be eligible for a corn loan as well as my neighbors outside the area.

Thanking you, I am,

Yours truly,

WM. BURMEISTER.

NATIONAL DEFENSE MIGRATION

TUESDAY, NOVEMBER 25, 1941

AFTERNOON SESSION

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE INVESTIGATING
NATIONAL DEFENSE MIGRATION,
Washington, D. C.

The committee met at 1 p. m. in the Post Office Building, Omaha, Nebr. Hon. John J. Sparkman (acting chairman), presiding, in the absence of the committee chairman, Representative John H. Tolan of California.

Present were: Representatives Laurence F. Arnold, of Illinois; Carl T. Curtis, of Nebraska; Frank C. Osmer, Jr., of New Jersey; and John J. Sparkman (acting chairman), of Alabama.

Also present: Dr. Robert K. Lamb, staff director; Harold G. Tipton, and Evelyn Weinberg, field investigators; and Irene M. Hageman, field secretary.

TESTIMONY OF FRED FORGETTE, MEAD, NEBR., AND LEWIS ROGERS, ASHLAND, NEBR.

The CHAIRMAN. Will you give your names and addresses, please?

Mr. FORGETTE. Fred Forgette, Mead, Nebr.

Mr. ROGERS. Lewis Rogers, Ashland, Nebr.

Mr. CURTIS. Mr. Forgette, how long have you farmed?

Mr. FORGETTE. I was born on the place and I farmed ever since I was able to.

Mr. CURTIS. How old are you?

Mr. FORGETTE. I am 50, sir.

Mr. CURTIS. You are living on the place where you were born?

Mr. FORGETTE. Yes.

Mr. CURTIS. Is that in the area that will be taken for the actual plant?

Mr. FORGETTE. Yes, sir.

Mr. CURTIS. How old are you, Mr. Rogers?

Mr. ROGERS. Forty-one years old.

Mr. CURTIS. What is your occupation?

Mr. ROGERS. I am a farmer.

Mr. CURTIS. Do you live in this area?

Mr. ROGERS. Yes, sir.

Mr. CURTIS. Do you own your own farm?

Mr. ROGERS. I own 40 acres unimproved, and rented the farm where I live, 120 acres.

Mr. CURTIS. In this tract to be taken over, how many farms are there?

Mr. FORGETTE. Approximately 180 farms.

Mr. CURTIS. Do you know how many of those are operated by the man who owns them?

Mr. FORGETTE. About 40 percent.

Mr. CURTIS. The rest are operated by tenants?

Mr. FORGETTE. Yes, sir.

FARM MORTGAGES

Mr. CURTIS. In the group attending this hearing, I'd like to see the hands of those who are farm tenants in this area. (Hands are raised.) Approximately 25 people here who are farm tenants. You two gentlemen have been selected to speak for the entire group of owners and tenants. Now, of those farms which are operated by their owners, how many are mortgaged?

Mr. FORGETTE. I would say about 30 percent.

Mr. CURTIS. About 40 percent of all the farms in the area, or 72 farms, are operated by the owners, and about 30 percent of those, or about 22 farms, are mortgaged, and 50 are not.

Mr. ROGERS. The mortgages in a lot of those instances may be for \$500 or \$1,000. They are very small amounts as compared to the value of the farms.

Mr. CURTIS. How much of this land is mortgaged for all it is worth?

Mr. FORGETTE. I don't think any of it is mortgaged for all it is worth.

Mr. CURTIS. This is the section of Nebraska that has got along fairly well so far as foreclosures are concerned.

Mr. ROGERS. There was quite a number of foreclosures a few years ago.

Mr. CURTIS. The land that is now farmed by tenants was not farmed by tenants in the years gone by?

Mr. ROGERS. That is much the case, but not entirely.

Mr. CURTIS. Who owns this land that the tenants live on, the Federal land bank, local banks, or local individuals?

Mr. FORGETTE. I think there is a small percentage owned by the Federal land bank, but the greater percent by landowners.

Mr. CURTIS. For additions to the statement that you men have submitted our record will be open for 10 days after the hearing. We are very anxious to be of as much help as we can. If there are points brought out here that may affect the Crop Insurance Division of the Department of Agriculture, and if these facts are in the record, we shall be able to call it to their attention.

Neither this committee nor any other committee in Congress selects sites for defense plants. That is the province of the War Department and the Office of Production Management.

Mr. CURTIS. Mr. Forgette, will you give us the facts that you feel should be told?

Mr. FORGETTE. Farming is our business, and this business is being taken away from us. And there are many of us that have been out trying to locate farms, and we can't replace farms of like value for less than 30 percent to 40 percent above what was being offered us on these options.

Mr. CURTIS. What are they offering you on the options?

Mr. FORGETTE. Various prices.

Mr. CURTIS. How do they run?

Mr. FORGETTE. They run from \$47 an acre to as high as \$212.50, but there are very few of those. These landowners have drawn up leases. These leases are drawn up in September when they plow and prepare the fields for wheat seeding, and these leases have been made and plans to carry on the work for 1942 have been made. If these leases are broken now, it leaves those plans of both owner and tenant shattered.

This land is productive land. We have had a few years in the past with grasshoppers and drought. That hasn't discouraged these farmers. They are all anxious to keep on without having to fall back on relief. We have produced from 35 to 60 bushels of corn per acre in the last 2 years. The wheat production ranges from 25 to 40 bushels per acre. I have here 5 acres of alfalfa fields that has produced 20 tons of hay and 21 bushels of seed at \$13.90 a bushel, that has been marketed. That is land that has produced a crop worth from \$41 to \$79 per acre in 1 year.

It is very much the same throughout the whole area. The productivity of our soil is unsurpassed, and we have an abundance of water supply. That is one feature that has been brought home to the people of our locality by those who have been out to find new localities, that one of the greatest drawbacks is the water supply.

Mr. CURTIS. You are speaking of wells and water for irrigation, or rainfall?

Mr. FORGETTE. Both.

Mr. CURTIS. What is your annual rainfall?

Mr. FORGETTE. About 26 inches.

Mr. CURTIS. Are Wahoo and Saunders Counties in the eastern third of Nebraska?

Mr. FORGETTE. Yes.

Mr. CURTIS. How far west would you have to go to find land that is at least partly submarginal, very inexpensive, and where there were not so many homes on it?

Mr. FORGETTE. About 50 miles.

LOW PRICES OFFERED FOR FARM LANDS

In regard to the operations here, I may cite this example: One farm was sold in 1926. The deed was recorded January 7, 1927, from G. N. Parmentier to Joseph A. Masterer. This was the south half of the southeast quarter of section 36, township 14, range 8. The amount of the mortgage was \$11,915.25. This was recorded in book 62, page 63, of the deed records. The Government offers at this time \$1,400 to the present owners.

Mr. CURTIS. And how much was that last recorded deed?

Mr. FORGETTE. \$11,915.25.

Mr. CURTIS. Was that an actual cash transaction or some family arrangement?

Mr. FORGETTE. I don't know.

Mr. CURTIS. But so far as you do know, it was a bona fide sale?

Mr. FORGETTE. Yes. Here's another first mortgage, recorded April 27, 1931, book 55, page 77, Federal Land Bank to H. McElfresh, west 100 acres of the southwest quarter, section 36, township 14, range 8, for \$5,400. A second mortgage recorded December 21, 1933, book 61, page 615, Land Bank Commission to H. McElfresh, on west 100 acres of the southwest one quarter, section 36, township 14, range 8, \$1,600. Now, this was sold to the Government and it has been signed over for \$8,700.50.

Mr. CURTIS. Mr. Rogers, do you care to discuss this situation?

Mr. ROGERS. First I have the case of an individual renter, a man who handles four to five hundred cattle per year, a man that buys and feeds cattle and puts them on the market, and he does approximately \$25,000 business a year. The man is a neighbor of mine. He has no place to go to. It is impossible to find a place for rent. That is the case of one renter.

Mr. CURTIS. You are pointing out that he has a business in that community that depends upon his reputation and ability and his knowledge of farming, and that with the necessity of moving, that business is gone, even though he may own no land on which you can put a dollars-and-cents value.

Mr. ROGERS. That is right. It upsets his financial program to the extent that he will be out that \$25,000 business.

TENANTS CANNOT OBTAIN FARMS

Here's the case of another farmer. He has a lease on a farm, with the option to buy the farm, and now, of course, he loses the option as well as his lease. This is the time of year when farms are rented for another year. They hold the lease open until the 1st of December or, in some cases, the 1st of January, and it has been practically impossible for those who are looking for a farm to rent to find one. There are a few farms that no one else would have, and that is the thing we are up against as renters or tenants.

These tenants are not the migratory type that move from year to year. A number have been on those places for years. I myself have lived on my farm 20 years. In that 20 years I have accumulated a herd of cattle, a bunch of hogs, and at the present time we have about 240 laying hens, doing very good.

Mr. CURTIS. Do you have a place to go to?

Mr. ROGERS. I do not.

Mr. CURTIS. What will you do with your livestock?

Mr. ROGERS. I wish I knew. I don't.

Mr. CURTIS. When is the deadline? When do you have to get off?

Mr. ROGERS. We don't know.

Mr. CURTIS. Have they given you any definite idea?

Mr. ROGERS. They say 10 days, 2 months, or possibly until spring. They all say, "Don't quote me, I can't tell you." And that is the only answer we get.

Mr. CURTIS. In reference to the land that you rent—not that which you own—what part of that loss do you think they will pay you for—the loss of your position as a tenant, which you have built up for the past 20 years? Do they pay you for growing crops?

Mr. ROGERS. They pay the landlord \$5 an acre for crops seeded in the fall—wheat, rye, grass. They figure that that will cover the cost of actual expenses of putting in the crop. Other than that, the tenant isn't considered at all.

Mr. CURTIS. For wheat planted in August or September, the tenant doesn't get anything?

Mr. ROGERS. They pay it to the landlord, and if he will pay it to the tenant, that is all well and good, but there is no law to compel him to do it.

Mr. CURTIS. In your community, who furnishes the seed?

Mr. ROGERS. The tenant, as a rule.

Mr. CURTIS. And who does the plowing?

Mr. ROGERS. The tenant.

Mr. CURTIS. And it is his equipment that is used?

Mr. ROGERS. Yes.

Mr. CURTIS. And so far as you know they don't pay him for his loss of growing crops and planted crops?

TENANT GIVEN NO CONSIDERATION BY BUYING AGENCY

Mr. ROGERS. Well, my landlord has received an option. He hasn't signed his option, and I, being the tenant, I have received no consideration at all, and if I get anything I will have to get it from the landlord. We are not getting any consideration from the buying agency.

Mr. CURTIS. Has anyone come in there with actual authority, anyone who notified the tenant that he had to get off by a certain time?

Mr. ROGERS. As far as I know there has been no notification that anyone has to get off at a definite time. There have been some hearsay stories but if you try to check up on such stories at the office, they say that is merely rumor.

Mr. CURTIS. Does most every farm have some fall wheat on it?

Mr. ROGERS. Yes; most farms do.

Mr. CURTIS. How is it looking? Pretty good?

Mr. ROGERS. It is looking fine so far.

Mr. CURTIS. That wheat is insured?

Mr. ROGERS. Yes.

Mr. CURTIS. With the Government crop insurance?

Mr. ROGERS. Yes; the Government crop-insurance program. Our crop-insurance applications have been accepted. We have acceptance receipts from the Kansas City office, and we have complied with the farm programs to a great extent, through the area, and are entitled to loan value for corn. Now they say that we will just have to put it on the market, and there is no provision that we will be paid the difference between the market value and the loan value to which we are entitled through cooperation with the farm program.

Mr. CURTIS. If you have been cooperating with the farm program, you can usually get a loan on your corn, but this year there is no place to store the corn, and so you don't get a loan and loan value?

Mr. ROGERS. That is right. We will have to take what we can get, and the market price is 45 or 46 cents whereas the loan value is 72 cents.

Mr. CURTIS. Have any officials of the Crop Insurance Corporation of the Department of Agriculture notified the people whether they had any income by reason of their growing crops in this manner?

Mr. ROGERS. We had a meeting of the precinct supervisors in the county office. They had wired Washington for an opinion as to whether there would be any compensation on these insurance applications, and since then they have notified us that there will be no consideration.

Mr. CURTIS. Was the answer by telegram?

Mr. ROGERS. Yes.

Mr. CURTIS. Do you know who sent it?

Mr. ROGERS. I wouldn't know who sent it, but George R. Newsham is the chairman.

Mr. CURTIS. Would it be possible to get a copy of the telegram that went to Washington and a copy of the reply for our record?

Mr. ROGERS. I will do my best to get that.

Mr. CURTIS. The individuals whose farms are mortgaged are in about the same predicament as the tenant?

Mr. ROGERS. That is right.

Mr. CURTIS. There it is a question not of dollars-and-cents value of the land, but of the farmer's plans for sowing and growing crops, and where to put his livestock and machinery, and the loan value of the corn that he has earned by participating in the program.

Mr. ROGERS. That is right.

Mr. CURTIS. A few moments ago I asked for a showing of hands of how many tenants were here who had lived in this area of 28 sections that will be taken for this plant, and I counted about 25 hands. I would like to know how many of those men know where they are going and have already got a farm outside the area? [Seven hands raised.]

Now, how many have not been able to get a farm but have been able to find a place to put their livestock and machinery without selling it? [Six hands raised.]

Mr. FORGETTE. There is one question that comes to my mind here. I have just heard that there is a man in the audience here today who has been given 10 days to finish picking his corn.

Mr. CURTIS. Is that man here?

Mr. FORGETTE. His name is Roy Johnson.

Mr. CURTIS. Is Roy Johnson here?

(No response.)

TESTIMONY OF BLAIR FOGEL, MEAD, NEBR.

Mr. FORGETTE. Is Blair Fogel here?

Mr. FOGEL. Here.

Mr. CURTIS. Will you please come forward and give your name and address for the record?

Mr. FOGEL. Blair Fogel, Mead, Nebr.

Mr. CURTIS. How long have you lived on that farm?

Mr. FOGEL. Five years.

Mr. CURTIS. Who owns it?

Mr. FOGEL. Estate of Fogle Ostenberg.

Mr. CURTIS. How big a farm is it?

Mr. FOGEL. One hundred and sixty acres.

Mr. CURTIS. And you have a notice that you have to get your corn picked and get off the land?

Mr. FOGEL. It is two 80's. The house is on one and they give me 10 days to get that north 80 out. I don't live on it.

Mr. CURTIS. Who gave you the notice?

Mr. FOGEL. My landlord.

Mr. CURTIS. No official from the Government or contractor for the bombing plant?

Mr. FOGEL. No.

Mr. CURTIS. Is it a written notice?

Mr. FOGEL. No.

Mr. CURTIS. Do you have a place to go?

Mr. FOGEL. No.

Mr. CURTIS. Do you have a place to put your livestock and machinery?

Mr. FOGEL. No.

Mr. CURTIS. Now, is there anyone else here who has received a notice to get out?

[No answer.]

Mr. CURTIS. Now, I will address a question or two to the entire group attending this hearing. These gentlemen have mentioned the difficulty in arriving at a fair price and the problem of finding a place to go, for both landlord and tenant. The questions of your crop insurance, and what to do about your livestock and machinery if you don't have a new farm, have been discussed. Is there any other point that anybody would like to bring up?

I wonder if you men would provide for our printed record a copy of your crop-insurance contract that you have with the Crop Insurance Corporation of the Department of Agriculture.

(The contract referred to is as follows:)

Form FCI212-W

UNITED STATES DEPARTMENT OF AGRICULTURE

FEDERAL CROP INSURANCE CORPORATION

48-078-1174

(State and county code and application number)

APPLICATION FOR WHEAT-CROP INSURANCE

(Pursuant to the Federal Crop Insurance Act, approved February 16, 1938, as amended)

The Federal Crop Insurance Program for wheat is part of the general agricultural program of the Department of Agriculture administered for the benefit of agriculture.

1. Applicant: Name of applicant: F. A. Forgette. Address of applicant: Mead, Nebr.

2. The undersigned applicant hereby applies to the Federal Crop Insurance Corporation for 75 percent insurance on his interest in the wheat crop for the crop year 1942 on each and every farm located in Saunders county, state of Nebraska, in which he has an interest at the beginning of the seeding of the wheat crop against loss in yield of wheat due to drought, flood, hail, wind, frost, winterkill, lightning, fire, tornado, storm, insect infestation, animal pests, plant diseases, excess or deficient moisture, incursions of animals, and against loss in yield due to other unavoidable causes not specifically mentioned herein. The insurance applied for by the undersigned applicant shall attach only to the interest which an applicant has in the wheat crop on the farm at the time of the beginning of the seeding of the wheat crop on the farm. The insurance hereby applied for shall not cover damage to quality, or loss in yield caused by overpasturage, or by the neglect or malfeasance of the insured or any person in his household or employment or connected with the farm as tenant, sharecropper, or wage hand, or by theft, or by overplanting, use of defective or unadapted seed, failure properly to prepare the land for seeding, or properly to seed, harvest, thresh, or care for the insured crop, or by failure to reseed to wheat in areas and under circumstances where the Corporation determines it is customary to reseed.

3. It is understood and agreed between the applicant and the Corporation that this application, the required notice of seeding, and the 1942 Wheat Crop Insurance Regulations issued pursuant to the provisions of the Federal Crop Insurance Act, as amended, shall constitute the applicant's insurance contract. The Corporation will not be bound by any act or statement made to or by its agents or representatives restricting its rights or powers or waiving the written or printed provisions of the contract.

4. Representations of Applicant:

(A)		(B)	(C)	(D)	(E)	(F)	(G)
1942 wheat listing sheet farm No.	Prac-tice	Total acres in farm	Name of owner	Farm name, location of farm, or legal description of farm	Applicant's interest in wheat crop	Average yield per acre	Premium rate
12-43	-----	320	F. A. Forgette.....	1½ E 3 S. of Mead....	50	21.2	0.84
-----	-----	-----	-----	-----	-----	-----	-----

5. It is understood and agreed that the data listed on the attached continuation sheet, if any, is hereby made a part of this application for wheat-crop insurance.

6. It is understood and agreed that insurance shall attach to the farm(s) listed in this application, including the attached confirmation sheet, if any, as well as any other farm(s) in the county in which the applicant has an interest at the time of the beginning of the seeding of the wheat crop on such farm(s) based on the yields and rates approved by the Corporation for such farm(s).

7. Acceptance of this application by the county committee shall be acceptance on behalf of the Corporation, *provided, however*, that the average yield(s) and the premium rate(s) specified in this application or in the accompanying continuation sheet, if any, are in accordance with the average yield(s) and premium rate(s) approved by the Corporation for the farm(s) covered by this application; and provided further, that this application is submitted in accordance with the provisions of the application the 1942 Wheat Crop Insurance Regulations, and any amendments thereto. Acceptance of this application shall be evidenced by the delivery to the applicant of a copy of the application signed by a member of the county committee. Confirmation by the Corporation of the acceptance shall be evidenced by the issuance of a notice to the applicant.

8. Any payment in excess of the premium finally determined shall be refunded to the person making such payment.

9. The applicant hereby warrants that the information, data, and representations submitted herewith are true and correct and are made by him, or by his authority, and shall be taken as his act.

10. Class of wheat to be used as the basis for the payment of premium and indemnity (Such class of wheat must be a class normally grown in this area): No. 2 Hard Winter.

11. The undersigned applicant does agree to participate in the 1942 Agricultural Conservation Program. In the event that the undersigned applicant is not participating in the 1942 Agricultural Conservation Program, payment must be made on the note of that part of the premium in bushels computed on the acreage allotment or permitted acreage, whichever is applicable, on all farms listed in paragraph 4 of Form FCI-212-W (including those listed on Form FCI-212A-W) at the time that Form FCI-212-W is submitted to the office of the county committee.

12. Note.—On or before the maturity date shown on the reverse side hereof applicable for the state indicated in paragraph 2 above, the undersigned promises to pay to the Federal Crop Insurance Corporation the premium on the wheat crop insurance application identified by the serial number above. The premium for this application shall be the sum of the premiums in bushels of wheat for the farm(s) covered by this application, and shall be determined in accordance with the 1942 Wheat Crop Insurance Regulations. Such note shall not bear interest either before or after maturity.

If this note is paid prior to maturity, it shall be payable either in wheat or its cash equivalent. After maturity, payment shall be made only in the cash equivalent.

A premium payment in wheat shall be made in the form of a warehouse receipt, or other instrument acceptable to the Corporation, representing salable wheat. The cash equivalent of the premium shall be determined by multiplying the number of bushels of wheat of the applicable class and grade constituting said premium by the price of such wheat at the current basic market designated by said Corporation, less the price differential established by the Corporation pursuant to the 1942 Wheat Crop Insurance Regulations. The price of such wheat at such current basic market shall be the price for the day when this note matures or,

in the event this note is paid before the date of maturity, the price for the day when this note is paid.

In the event that a certificate of indemnity is presented to the Corporation for settlement, or to the Commodity Credit Corporation for a loan, before the maturity date shown on the reverse side hereof applicable for the state indicated in paragraph 2, above, the maturity date of this note shall become the day the cash equivalent is established for purposes of settlement or the day application for such loan is made, as the case may be.

And further, if this note is not paid at maturity, the undersigned applicant hereby authorizes:

(a) The Federal Crop Insurance Corporation to apply any amount which is on deposit with such Corporation for the payment of this note;

(b) The Federal Crop Insurance Corporation to deduct the unliquidated amount of this note from any indemnity payable to the undersigned under any 1942 wheat crop insurance contract;

(c) The Commodity Credit Corporation to deduct the amount of the cash equivalent hereunder from any commodity loan made or which may be made to the undersigned on any wheat; and

(d) The Secretary of Agriculture to deduct the amount of the cash equivalent hereunder from any payment or payments to which the undersigned applicant is now or may hereafter become entitled under Sections 8 to 17 of the Soil Conservation and Domestic Allotment Act, as amended, or any other act or acts of Congress administered by the United States Department of Agriculture.

13. Signature of applicant.—

(Date): Aug. 12, 1941.

F. A. FORGETTE.

14. Certification and acceptance by the county committee.—

The undersigned member of the county committee certifies for the county committee that, after careful examination of representations and data set forth above, such committee has determined that to the best of its knowledge and belief such representations and data are true and correct. It has been determined that the signature appearing above has been affixed by the same person whose name appears in paragraph 1 above or if the signature has been affixed by a person who signs as fiduciary or agent, if any, that such fiduciary or agent has authority to act in the capacity shown.

(Date of acceptance) Aug. 23, 1941.

(Signature of county committeeman) JOHN F. LUBKER.

(For the County Committee.)

APPLICANT'S COPY

MATURITY DATES BY STATES OF THE NOTE SHOWN IN PARAGRAPH 12 OF THIS FORM

July 10: Arizona, Arkansas, Oklahoma, Texas.

July 15: Tennessee, Kentucky, Missouri.

July 22: Illinois, Indiana, Ohio, Iowa.

July 25: Delaware, Maryland, New Jersey, New York, North Carolina, Pennsylvania, Virginia, New Mexico.

July 30: Kansas.

August 11: Colorado, Utah, Idaho, Michigan.

August 15: Nebraska.

August 18: Washington, Oregon.

August 20: California, Minnesota, Wisconsin, Nevada.

August 22: South Dakota, Wyoming.

August 29: North Dakota, Montana.

TESTIMONY OF LEWIS ROGERS—Resumed

Mr. ROGERS. I might mention my own case in connection with my 40-acre tract I bought in 1929, when corn was 62 cents on the market. But what is it now? That was just before the depression, and I paid \$6,000 for that 40 acres. It was appraised by a man from the Omaha National Co., in connection with the Omaha National Bank, at \$180 per acre, for a loan, and I have been offered an option of \$3,630 on that 40. If I accept that option, which I may have to do, I can't pay out.

Mr. CURTIS. It is your understanding, gentlemen, that the tenant farmer does not get anything for the growing crops which he must abandon?

Mr. ROGERS. This man [pointing out Mr. Fogel] had an option a week or so ago. It was given with a consideration for the growing crop, added to the option for the land and buildings.

Mr. FOGEL. And there has never been any mention made to me about the money that I might or might not get.

Mr. CURTIS. If that is true, it is a great surprise to me, and I want you to know when I return to Washington I will take up that question. It may be a detail they haven't reached yet.

Mr. ARNOLD. I would just like to ask if the \$5 payment you have mentioned is sufficient when divided between the landlord and the tenant.

APPRAISAL PROCEDURES

Mr. ROGERS. Mr. Carmody told me that they went to the Department of Agriculture at Lincoln and got a figure on the cost of seeding on acreage of that sort, and they said about \$3.60 per acre was a fair estimate. Mr. Carmody said, "We are going to be liberal about it, and we will just make it \$5 an acre."

Mr. ARNOLD. But the tenant gets half the crop, ordinarily, and so should have half of it. You work on a share basis, do you not?

Mr. ROGERS. After the grain is produced it is delivered to the market on a share basis, but this was to cover the expense of putting in the crop.

Mr. ARNOLD. Therefore, the tenant should have all of it.

Mr. ROGERS. That is the way I see it.

The CHAIRMAN. I am a member of the Military Affairs Committee, and I happen also to be a member of the subcommittee which is charged with the responsibility of investigating the acquisition of land for the construction of defense projects. We have had a good many hearings with that subcommittee on just such problems as yours. In most instances things have worked out very nicely. We have found that in many cases difficulties were simply anticipated and never did materialize. Many so-called troubles were based on rumor which proved in the end to have been unfounded. For example, the point that you have just mentioned—that the tenant will not receive a share. I can't conceive of that as being possible, because it is not logical, and I am not so sure that the Government could obtain clear title to the land if the tenant's interest—and certainly he does have an interest—was not satisfied. I don't see how the Government could have clear title. I believe that when the time comes for the money to be paid the tenants will be taken care of.

Our committee has insisted all along, in the procedure of land acquisitions of the War Department, that fair and just treatment be given to the landowners and to the tenants, and I believe it will be done.

We have run into some cases where difficulty arose from the fact that those who were appraising the land weren't familiar with the type of soil or the type of farming done in those particular cases.

I might mention one case, which had to do with the acquisition of land for the very large chemical warfare arsenal that is being built in my home town. The project requires some 40,000 acres, and some of the very best farm land to be found anywhere.

By the way, in this connection let me say that it is not always possible to place these plants in such a way as to use submarginal land, because of transportation, availability of water, roads, contours of the land, and the like. A good many factors enter into it.

But for this chemical warfare arsenal at Huntsville, Ala., some 40,000 acres have been taken over. The Land Acquisition Division sent in appraisers who were familiar with that type of soil, and as a result there was practically no difficulty. I don't believe there were 10 cases that had to be taken into court by reason of the failure of the parties to reach an agreement. A good many cases had to be taken into court in order to clear title.

We ran into another situation down in Neosho, Mo., where undoubtedly the land appraisers sent in were not familiar with the type of land and agriculture there, and as a result there was a great deal of difficulty. Our subcommittee held hearings and carried our findings to the War Department. They made every effort to make a satisfactory adjustment, and I believe they did work it out pretty well.

We have had no hesitancy in saying to the landowners that the Government does not want to take their land for less than its true value, and that reexamination of the case will be made if any landowner is dissatisfied with the price that is offered by the appraisers or in the negotiations, regardless of what anyone might say to him about the length of time that it might take to have a fair settlement in court. It has been our opinion in that committee that the landlord or the owners ought to keep in mind that they have ample opportunity to go into court and have a jury assess the value of their land, and no agent of Government should seek to discourage the landowners from taking that procedure by trying to scare them as to the length of time or the cost or anything like that. It is normal procedure for the Government to deposit in court an amount of money covering the appraised value of the land, and ordinarily the court lends the landowner practically all of that money in order to enable him to provide himself with another place and get himself set up while waiting for the wheels of justice to turn. We have taken the opportunity on every occasion to advise the landowners that they were entitled to those rights and no agent of the Government should try by persuasion or threats to prevent them from taking that recourse.

Now, I have suggested to someone today that it would be well to write a letter to the subcommittee of the Military Affairs Committee, which is directly concerned with this problem. This committee on Defense Migration is interested in the subject mainly in its relationship to the displacement of population and the stranding of people, but the Military Affairs Committee is directly interested in the actual transactions with these landowners. That committee is charged with that duty by Congress. So I suggest that the matter be taken up with Representative R. Ewing Thomason, of Texas, who is the ranking member of the House Military Affairs Committee, and address it to the House Office Building, Washington, D. C. If that is done, this subcommittee will be glad to hear your protests, whatever their nature may be, and see that the matter is satisfactorily adjusted.

Mr. CURTIS. One of our clerks will wait on you outside and give you directions as to where to submit additional information. I think that covers the matter insofar as this committee has anything to do with it, because, as Mr. Sparkman stated, we have no authority to act in the matter.

Mr. FORGETTE. I would like to make a suggestion, that the tenants settle directly, and not through the landlords.

Mr. CURTIS. I think you will find that the tenant has a right, and no one can bargain it away from him. Insofar as possible, don't rely on anybody's story until you are sure he knows what he is talking about and has authority to speak.

TESTIMONY OF HERMAN HANKE, ITHACA, NEBR.

Mr. HANKE. Our tenants, as a rule, since the depression and drought have been making their living from the income received from the sale of dairy products, poultry, and eggs, and the way prices are now they are making a fair living, and that means of livelihood is taken away from them if they cannot get a place. This means that they will have to sell their milk cows and chickens, thus taking away their income.

These milk cows cannot be replaced in less than 4 or 5 years, and it is almost impossible to buy good cows, as farmers will not sell their best cows but only culls. Farmers have learned to depend on these incomes entirely, therefore they will not sell cows which more than pay their way. That is the condition in our neighborhood at present.

Farms are usually rented in the fall, and at this time there are none available, as most of them are rented; if they have to give up these farms, where can they find others?

Mr. CURTIS. You are Mr. Hanke?

Mr. HANKE. Herman Hanke, Ithaca. I am an owner involved in this project.

Mr. CURTIS. Thank you very much.

TESTIMONY OF EDWARD A. KIMBALL, CHAIRMAN, IOWA INDUSTRIAL AND DEFENSE COMMISSION, DES MOINES, IOWA, REPRESENTING HON. GEORGE A. WILSON, GOVERNOR OF IOWA

The CHAIRMAN. Our next scheduled witness was to be the Honorable George A. Wilson, Governor of the State of Iowa. I understand he can't be here, and Mr. Kimball is taking his place.

Mr. Kimball, will you please give your full name and address for the record?

Mr. KIMBALL. Edward A. Kimball, chairman of the Iowa Industrial and Defense Commission, Des Moines, Iowa, representing Gov. George A. Wilson.

The CHAIRMAN. Mr. Osmer will interrogate you.

Mr. OSMERS. We are very sorry that Governor Wilson can't be here. We are indebted to him, though, for having sent you.

There are appearances of prosperity in some parts of the farming area, due to increased prices, and we would like to have you tell us what effect that improvement is having on tax collections in the State.

Mr. KIMBALL. I think tax collections are higher this year than in a number of years.

Mr. OSMERS. You don't have any comparative figures?

Mr. KIMBALL. The Governor did not furnish me with any of that data.

Mr. OSMERS. Have you had a number of workers come into Iowa as a result of defense activity?

Mr. KIMBALL. Yes.

Mr. OSMERS. Have any new conditions been created by that influx of workers?

IOWA ORDNANCE PLANT

Mr. KIMBALL. I think, Mr. Congressman, that it has had comparatively little effect on the economic life of Iowa. Burlington is the location of the Iowa ordnance plant, which is nearly completed. Probably 6,000 workers from other States have come into the Burlington area.

Mr. OSMERS. How large a population has the Burlington area?

Mr. KIMBALL. Probably 30,000.

Mr. OSMERS. And 6,000 have been added?

Mr. KIMBALL. That is right.

Mr. OSMERS. Have you observed a lack of housing there?

Mr. KIMBALL. Yes. The Housing Administration is now constructing 350 houses.

Mr. OSMERS. Have you had a police and school problem?

Mr. KIMBALL. The city of Burlington has had to put additions on to 2 schools. The officials took up the matter with Washington. These additions would have been unnecessary if the 350 houses had not been put in one locality. If they had put them in different localities, near the plants, that would have relieved the school, sewerage, and water and light facilities.

Mr. OSMERS. But the Government built all those houses in one place?

Mr. KIMBALL. Yes.

Mr. OSMERS. Aside from the Government housing project, has the Federal Government assisted the Burlington area in any other way in regard to community services, roads, or hospitals?

Mr. KIMBALL. Not as yet. Burlington has been anticipating some relief under the recent road bill that the President signed the other day.

Mr. OSMERS. I was thinking more especially of the bill appropriating \$100,000,000—the so-called Lanham bill that made this money available for assistance to localities in solving the problems that have resulted from in-migration.

Mr. KIMBALL. So far as I know, I don't think they have received any assistance. I didn't check that, however.

Mr. OSMERS. I understand that there is beginning to be a scarcity of farms in Iowa, and that there are more people wanting to rent farms than there are farms available. Is that correct?

Mr. KIMBALL. That is my information.

Mr. OSMERS. How do you account for it?

Mr. KIMBALL. Probably the best-posted man in Iowa is Mr. Russell, over there [indicating], the editor of the Farm Register. I suggest that he would be the best source of information on the farm problem.

Mr. OSMERS. Are there fewer farms in Iowa now because of mechanization and larger units?

Mr. KIMBALL. I think there is very little change.

MIGRATION OF YOUNG PEOPLE

Mr. OSMERS. Have you had the same experience in Iowa that they have had in Nebraska? Have a great number of your young people left the State to go to California or elsewhere for defense jobs?

Mr. KIMBALL. That is right. One hundred within the last 6 weeks have gone to Lockheed, in California—mostly young men.

Mr. OSMERS. Is it your guess, Mr. Kimball, that after the emergency is over, many of those people will return to Iowa?

Mr. KIMBALL. From talking with the parents of a number of young men who have gone to California, I gather that their present intention is to remain there. They have stated that as their intention, in their letters home. No official check has been made, but I have heard, in quite a large number of cases, that the parents expect their children to remain in California. It depends on whether they can find work after the emergency.

Mr. OSMERS. We understand that the length of time needed to gain county settlement has been increased. We have been told that before one can be considered a resident of any Iowa county, one has to live there 2 years. Is that correct, Mr. Kimball?

Mr. KIMBALL. That is new to me.

Mr. OSMERS. With reference to those people who are going to California, I am wondering whether, at the conclusion of the emergency, they will be considered legal residents of California or Iowa, if they return to Iowa.

Mr. KIMBALL. If they maintain their voting residence while they are gone, they will be considered residents of Iowa.

Mr. OSMERS. How can they do that?

Mr. KIMBALL. We have an absentee voter's ballot.

Mr. OSMERS. Has a large acreage in Iowa been taken over by defense activities?

Mr. KIMBALL. I wouldn't say large; around 4,200 acres at Burlington, and close to that for the rifle range and ordnance plant in Des Moines.

Mr. OSMERS. Do you think that land will go back to peacetime uses after the emergency?

Mr. KIMBALL. From what the officers tell me, no. But I know the United States Rubber Co., which is going to operate the Des Moines plant, has expressed the thought that after the emergency is over, if it can convert that plant, it would like to make some arrangement with the Government to make it a fabricating plant for domestic consumer use.

Mr. OSMERS. We have heard considerable testimony since we have been in the West regarding the advantages and disadvantages of decentralizing industry. Would you care to express your views on that, Mr. Kimball?

VIEWS ON DECENTRALIZATION

Mr. KIMBALL. There has been in the last few years some inquiry as to locating plants in Iowa. Centralization probably reached its peak along in 1928 and 1929, and declined somewhat during the depression. Because the large factories in the East haven't been able, at all times, to utilize their entire plant facilities, there was a decided movement thereafter to decentralize, and we had numerous inquiries from a number of large eastern institutions seeking plant locations in Iowa.

I presume that is true in all the middle western territory. They probably thought that they could get a different and a higher type of employee in the Middle West than they could in the more congested areas, and also hoped their employees might find reduced living expenses, greater recreational facilities, and a better chance of getting back to nature than in the crowded centers of the East.

Mr. OSMERS. Have your small Iowa industries suffered in the way that some of them have suffered in Nebraska from inability to get materials?

Mr. KIMBALL. Yes, sir.

Mr. OSMERS. And is their inability to get defense orders beginning to shut them down and put them in such a doubtful condition that their better mechanics and their more skilled workers are leaving them and moving into various defense centers?

Mr. KIMBALL. We have had many leave this locality and we have had some lay-offs. The reason why many don't leave is because they own their own homes in small communities, and they don't want to go too far away. They are going into a few of the larger industrial plants that have defense orders.

Mr. OSMERS. I suppose when the Martin plant in Omaha starts to operate, that will attract more of them away from Iowa?

WASHING-MACHINE INDUSTRY POOL

Mr. KIMBALL. The washing-machine business was the hardest-hit industry, and you are probably familiar with the fact that the War Department and O. P. M. have allotted a \$12,000,000 contract, which goes to the pool of the washing-machine people and will be allocated in accordance with the facilities and needs of the various plants.

Mr. OSMERS. That should be helpful.

Mr. KIMBALL. They say it ought to be effected within the next 6 weeks. Maytag is now working on a small contract, employing about 100 men. That is at Newton, Iowa, a town of about 15,000.

Mr. OSMERS. What do you think the general social and economic problems will be at the conclusion of the emergency?

Mr. KIMBALL. I am rather optimistic. There are many people who are pessimistic. I don't think there has been a sufficient change in conditions in Iowa to change the present economic set-up, if we are able to go ahead and maintain at least an operating organization in the smaller plants that cannot get into defense work.

INDUSTRIAL ENGINEERING ASSISTANCE

Mr. OSMERS. We discussed the possibility yesterday, at a hearing at Hastings, of Government utilization of the facilities of these small plants, by adoption of different methods. It seemed to me the committee's conclusions were that if the Government had industrial engineers with authority to take orders and negotiate contracts, and if they would go through these Middle Western communities, particularly the smaller ones, and start parceling out small, easy-to-make parts, which are used generally in the assembly of larger devices of war, it would be a great assistance.

Mr. KIMBALL. Our Commission furnished the O. P. M. office for Des Moines with a very capable engineer in charge on a dollar-a-year basis and he has received authority to employ two more engineers to do the very thing that you suggested, Mr. Congressman.

But in discussing the subject of subcontracting with them, it was found exceedingly difficult, and many of them are very critical of the Army for telling these small plants that they are going to get defense contracts, because the small plants have neither the machinery nor the trained men to work as the Army and Navy require—down to two ten-thousandths of an inch. We have had many small manufacturers come in, and they think if they get to one sixty-fourth of an inch they are doing pretty well. When the Army and Navy talk in terms of two ten-thousandths of an inch they are scared to death.

These engineers we are hoping to take on are going to—and they can—train some of these men to work down to a much finer precision, but many of the plants don't have the equipment.

Mr. OSMERS. The list of war necessities that are not precision items is steadily increasing.

Mr. KIMBALL. That is what we have been trying to tell the O. P. M.

Mr. OSMERS. There are castings and a great many things that I am sure could be made. I realize that precision equipment requires precision machinery and precision mechanics.

Mr. KIMBALL. That is right.

Mr. OSMERS. Before I conclude my questioning, Mr. Kimball, I am going to ask you if you would be kind enough to check with the appropriate State officials in Iowa about the 2-year residence requirement.

Mr. KIMBALL. May I ask Mr. Russell if he has any information on that?

Mr. RUSSELL. Not up to date.

Mr. KIMBALL. There was no law recently passed in the State legislature that I know of.

Mr. OSMERS. Do you have a commissioner of public welfare in Iowa, or some similar official?

Mr. KIMBALL. We have the social-welfare board.

Mr. OSMERS. They probably would know. We are particularly interested in knowing what the status of these Iowa people who have gone to California will be, should they return to Iowa—whether they are going to be considered Californians or Iowans.

Mr. KIMBALL. They can maintain their voting residence here.

Mr. OSMERS. But some of them will not maintain it. If you would check on that and forward the information to the committee, we would appreciate it.

Mr. KIMBALL. I shall be glad to.

(The following letter and statement were received subsequent to the hearing and accepted for the record:)

DECEMBER 15, 1941.

Hon. JOHN H. TOLAN,

Chairman, Committee on Interstate Defense Migration,

House Office Building, Washington, D. C.

DEAR MR. TOLAN: In accordance with my promise made to your committee at Omaha, I am enclosing a letter from Mr. Don Hise, special assistant attorney general for the State of Iowa, regarding "settlement rights."

Sincerely,

EDW. A. KIMBALL.

STATE OF IOWA.

DEPARTMENT OF SOCIAL WELFARE.

Des Moines, November 29, 1941.

Mr. EDWARD A. KIMBALL,

Des Moines, Iowa.

DEAR MR. KIMBALL: In accordance with our telephone conversation, I am writing you relative to the legal settlement laws of Iowa. There are ever so many questions continually being raised within the State and between the counties, but, as I understand your problem, you wish to know how the legal settlement law affects workers leaving the State. Section 3828.089 provides as follows:

"3828.089 Settlement continues. A legal settlement once acquired shall so remain until such person has removed from this state for more than one year or has acquired a legal settlement in some other county or State."

You will note from this section that if a person leaves the state for more than 1 year he loses his legal settlement in the county in the State wherein he had his legal settlement. The problem then arises how this legal settlement can be reestablished in a county in Iowa. Section 3828 reads in part as follows:

"3828.088 Settlement—how acquired. A legal settlement in this state may be acquired as follows:

1. Any person continuously residing in any one county of this state for a period of two years without being warned to depart as provided in this chapter

acquires a settlement in that county, but if such person has been warned to depart as provided in this chapter, then such settlement can only be acquired after such person has resided in any one county without being warned to depart as provided in this chapter for a continuous period of two years from and after such time as such persons shall have filed with the board of supervisors of such county an affidavit stating that such person is no longer a pauper and intends to acquire a settlement in that county."

* * * * *

You will note from the above quoted section that it takes continuous residence of 2 years after return to the State before legal settlement can be established. The law formerly read 1 year but the forty-ninth general assembly changed it to read 2 years.

The manner in which counties prevent a person from acquiring legal settlement is by serving a notice to depart, as provided under sections 3828.092 and 3828.093. These notices to depart can be served by the county authorities whether or not the person so served has made application for relief.

Under the provisions of section 3828.090, which I will not set out here, the courts can order a person coming in from another State, who does not have a legal settlement in Iowa or who might have lost his legal settlement here, to leave the State, and may be removed at the expense of the county wherein the person is found.

The comparable section of our code which deals with the situation of importation of a pauper, and which was recently tested before the United States Supreme Court (a California case), is section 3828.091, which reads as follows:

"3828.091. Importation prohibited. If any person knowingly bring within this state or any county from another county in this state any pauper or poor person, with the intent of making him a charge on any of the townships or counties therein, he shall be fined not exceeding five hundred dollars, and be charged with his support."

It should be noted, however, that our code provision and the California law are not quite similar. In our law there must be an intent on the part of the person bringing the pauper into the state to make the pauper a charge upon the county. As I understand the California law, there would not have to be any intent. In my opinion the decision affecting the California law would not be controlling insofar as the Iowa law is concerned.

It must always be borne in mind that the legal settlement laws are separate and distinct from the domicile, legal residence, or voting laws. The legal settlement law is only applicable when a person applies for relief from the county authorities. A person can very well leave the State and retain his domicile or legal residence or voting residence in Iowa and still at the end of 1 year lose his legal settlement in Iowa. Domicile and legal residence are matters of intent; while legal settlement is a matter of statutory construction for the purposes of relief.

I trust that the above information will answer your questions, but, if there is anything further you wish to know, please inform me.

Very truly yours,

Don Hise,

Special Assistant Attorney General.

(The following additional statement was later received from Mr. Hise and accepted for the record:)

Since writing to Mr. Edward A. Kimball relative to the legal settlement laws of Iowa on November 29, 1941, there has been some further discussion relative to section 3828.090, 1939 Code of Iowa, as amended by chapter 148, section 4, acts of the Forty-ninth General Assembly.

Said section in its present form now reads:

"3828.090. Foreign paupers:

"1. Any person who is a county charge or likely to become such, coming from another state and not having acquired a settlement in any county of this state or any such person having acquired a settlement in any county of the state who removes to another county, may be removed from this state or from the county into which such person has moved, as the case may be, at the expense of the county wherein said person is found, upon the petition of said county to the district or superior court of that county.

"2. The court or judge shall fix the time and place of hearing on said petition and prescribe the time and manner of service of the notice of such hearing.

"3. If upon the hearing on said petition such person shall be ordered to remove from the state or county and fails to do so, he shall be deemed and declared in contempt of court and may be punished accordingly; or the judge may order the sheriff of the county seeking the removal to return such person to the state or county of his legal settlement."

There is some doubt as to whether or not the above-quoted section would be unconstitutional in view of the California decision. It might well be argued that a pauper having a settlement in another State could not be punished for contempt even though, after the hearing, the court ordered him to leave the State of Iowa and he refused.

TESTIMONY OF EDWARD A. KIMBALL—Resumed

The CHAIRMAN. Mr. Kimball, I was in Burlington at the time that the site of the Iowa ordnance plant was selected. A good many people were complaining that it was taking the best farm land, and they were rather uncertain as to what the outcome might be. I am curious to know if the land adjustment was worked out all right, and if the people got resettled and were satisfied with the land which they got.

Mr. KIMBALL. So far as I know, there has been very little trouble. There was much complaining at first, but I have heard very little since. I have talked to a number of farmers, and they were very well satisfied with the price the Government paid for the land. There were a number of elderly people on those farms, and a large number of them have retired.

Mr. OSMERS. One word more on the settlement question. At the Washington hearings, we had an Ohio migrant who had maintained his voting rights in Ohio while out of the State, but who nevertheless lost his settlement rights. I want to make that distinction, so that you can investigate that possibility, too.

Mr. KIMBALL. Yes.

Mr. OSMERS. We are particularly interested in the eligibility of such people for public relief when they return.

Mr. KIMBALL. I brought some detailed information I would like to leave with you.

Mr. CURTIS. Thank you very much.

(The following material is a part of that submitted by Mr. Kimball. The balance is held in committee files.)

EFFECTS OF INTERSTATE DEFENSE MIGRATION ON THE PUBLIC SCHOOLS OF IOWA

1. *Changes in school plants and requirements.*—In order to adapt the school plants to the requirements of the defense training program, approximately \$125,000 has been spent by the school boards of Iowa in alterations, adaptations and installations of power lines, etc., to date. Many more schools are planning the introduction of defense programs as rapidly as they can get ready and secure approvals, so that this figure will probably double during the current year. (There is no Federal reimbursement for those items.)

2. *Influx of people into Iowa and consequence on schools and school taxes.*—In connection with the defense area work at Burlington, Ankeny, and the Rock Island Arsenal, there have been added approximately 22,500 workers to these areas. This will increase the school population in these areas by approximately 2,000 to 2,500 pupils by the end of the current school year, and will necessitate the provision of school facilities for these children. Present building and teaching facilities for these children are wholly inadequate, and new facilities must be provided.

To further complicate the problem, approximately 25,000 acres of fertile land in these areas have been transferred to Federal ownership, and since 99 percent of school support in Iowa is derived from local property tax, the school districts in these defense areas face the problem of providing complete school facilities

for an enormous increase in enrollment with the assessed valuation of property in the areas in some instances almost completely wiped out. (No data are available as yet on the effect of the South Omaha plants in the Council Bluffs area.)

SUMMARY OF AGRICULTURAL SITUATION, OCTOBER 1941

Centerville.—There have been no demands for agricultural labor in this area that could not be filled and there appears to be a sufficient supply of workers to meet the needs of the next month.

Charles City.—Our orders for farm workers are usually somewhat ahead of our supply and there is a considerable delay between the placing of the order and the filling of it. With the continued recruitment of trainees for defense work there may be a serious shortage of farm workers before long.

Clinton.—Agriculture has experienced a shortage to some degree due to the preference for other types of work. The situation has not been serious and has been confined mostly to the harvest season.

Decorah.—The demand for farm hands during this period has been about normal. There has been an available supply of farm hands both single and married.

Dubuque.—The demand exceeds the supply and there is a definite shortage of farm labor in the area. Attempt has been made to recruit men from Civilian Conservation Corps camp but this effort has met with only limited success.

Fairfield.—The harvesting of crops on farms in this area is being temporarily slowed by lack of ready labor for such work.

Fort Dodge.—The demand for single farm hands has exceeded the supply of qualified men to a slight extent. This is due in part, however, to the reluctance of some workers to accept farm employment when they have prospects for a job in the defense industry.

Iowa City.—Almost impossible to secure farm hands for farm labor. Newspaper publicly is being used to recruit farm help.

Kokuk.—There is comparatively little demand for agricultural labor in this vicinity and there are more farm hands registered than there are orders for farm laborers.

Mason City.—It is becoming increasingly more difficult to supply the demand for farm laborers. Given a reasonable time to fill the order the office has been able to meet most of the demands.

Muscatine.—There has been an increased demand for farm labor but up to the present time the supply has been sufficient to meet all needs.

Oskaloosa.—There is no shortage of agricultural labor.

Ochreil.—There has been a growing demand for qualified agricultural labor and while the situation has not become serious as yet, a serious shortage is expected within the next few months if present conditions continue.

Shenandoah.—There is a local shortage of farm workers and it will be necessary to recruit men from other areas to meet the demand.

Sioux City.—It is anticipated that we will have some difficulty in getting sufficient number of corn pickers.

Spencer.—We have been unable to fill all orders for agricultural workers which is due in part to the fact that farm hands have preferred to work by the day rather than to contract by the month.

Webster City.—During the early part of August there was a great demand for harvest workers. The local supply proved inadequate and transient farm laborers were employed on a number of farms.

Algona.—There is a continued demand for married men for farm work which we have been unable to meet.

Boone.—It has been possible during the past 6 weeks to fill all orders for farm laborers providing standard wages have been offered.

Burlington.—This office has been able to fill all reasonable orders for agricultural workers.

Waterloo.—The demand far exceeds the supply at the present time and there are a number of unfilled orders for farm hands.

Ottumwa.—During the past 30 days a definite shortage of qualified farm hands has begun to appear but the situation is not materially different from that experienced during preceding years.

Newton.—While there is no large demand for farm help, many experienced farm hands could get work. In the case of dairy farms, stock has sometimes been

sold off to correspond to the amount of help available and in isolated instances has caused the farmer to go out of business.

Davenport.—There has been a shortage of farm hands for farm work during the summer months and it is probable that there will again be a mild shortage during corn-picking time.

Cedar Rapids.—Although there is still a shortage of farm labor, it is not as acute as during harvesting or the anticipated demand for corn husking.

IOWA EMPLOYMENT SECURITY COMMISSION.

November 19, 1941.

DISLOCATIONS OF WORKERS IN IOWA DUE TO PRIORITIES AND MATERIAL SHORTAGES

One of the most disturbing factors in the general labor market situation in Iowa during the past 2 or 3 months has been the actual or anticipated lay-off of workers due to the inability to secure essential materials. Examples of such lay-offs, arranged according to localities, are as follows:

Newton.—During October the Maytag Washing Machine Co. laid off 60 employees from the gray iron and aluminum foundry due to a lack of aluminum, steel, pig iron, zinc, and scrap iron. The workers affected were machine molder squeezers, polishers, grinders, and factory laborers. The assembly line, involving about 200 men, is only working 3 days per week because of a shortage of materials, and some of the salesmen are idle since agents are not able to secure the necessary products. The Maytag Co. is now using about 100 (10 percent) of their employees in defense production, and this number is expected to be increased to about 300 by February 1, 1942. This, however, will merely involve the transfer of some of the present employees to this type of work. The Automatic Washing Machine Co. has laid off about 20 punch-press operators and factory laborers and has called in all their salesmen off the road because of a shortage of plastic, steel, aluminum, and zinc. About one-sixth of the personnel of this firm are engaged in defense production at the present time. The Midwest Stamping Co. has laid off about 40 punch-press operators and factory laborers because of a shortage of zinc, brass, steel, and scrap iron. About 10 percent of the workers in this establishment are now engaged in defense production, and it is impossible at this time to forecast what the production will be more than 30 days ahead. The Wind Power Manufacturing Co., manufacturers of farm electrical power system, has been forced to lay off a few engine-lathe operators because of inability to secure steel and motors. Although Newton has been designated as a certified defense area, which should aid considerably in the securing of defense contracts, the community has been dependent to a very large degree upon the washing-machine industry, and shortages of materials essential to that industry have already created real labor displacement problems in the area.

Des Moines.—The Rollins Hosiery Mills has laid off a total of 394 workers during the past 2 months as a result of the raw silk shortage. The workers affected involve knitters, toppers, loopers, seamers, gray inspectors, menders, skein winders, spinners, combers, boarding machine operators, and inspectors. The Wood Brothers Thresher Co. has laid off nearly 200 assembly line workers and factory laborers during the past 2 months because of their inability to obtain steel and arc-welding machinery. While the firm has secured a sub-contract from the LaPlant-Choate Manufacturing Co., of Cedar Rapids, only a small percentage of their workers are now engaged in defense production, which means that a further reduction in personnel is expected unless present priority ratings are altered or defense contracts are received. The Chamberlain Laboratory, which employs 35 workers, closed down their entire plant during October due to the inability to obtain 188-proof alcohol. The plant was reopened on October 20, but the present supply of materials is expected to be depleted within a few days. The Ideal Manufacturing Co. laid off about 20 workers, predominately unskilled, in September because of an insufficient supply of bar steel and 16-gage sheet metal. Some of the smaller job shops have also indicated that it might be necessary for them to close down unless materials can be secured in the near future. The report received today from the Rollins Hosiery Mills indicated that approximately 50 of the workers laid off have already been rehired, and it is anticipated several more will be added during the next 6 weeks. In fact, present indications point to the possibility of the firm operating at near normal production by January 1942. This is due to a decided increase in the output of cotton and rayon hosiery. Some of the workers laid off from the fore-

going establishments have found employment at the Des Moines ordnance plant, or with other firms in the city. However, a recent analysis disclosed that a large percentage were drawing unemployment compensation benefits.

Cedar Rapids.—The Hall Manufacturing Co. and the Rapids Equipment Co. have laid off 50 to 60 floor assemblers and sheet-metal workers during the past 2 months because of inability to secure sheet steel. The Universal Crusher Co. laid off 31 helpers and assemblers during October, and the Eddy Paper Corporation recently laid off 35 laborers because of shortages of material. The Dearborn Brass Co., manufacturers of plumbing supplies, have had no lay-offs to date, but since their product is made almost exclusively of copper and copper alloys, the Office of Production Management order No. M-9-c, effective January 1, 1942, if not amended, will practically put this firm out of business. This establishment now has 60 workers in its employ. Since this community has received several defense contracts there is still a demand for workers in other establishments. However, the situation is becoming increasingly acute and may result in rather serious dislocations of workers during the next 30 to 60 days.

Waterloo.—The Chamberlain Corporation, manufacturers of washing-machine wringer rollers, have laid off 150 workers during the past 2 months due to a curtailment of orders brought about by a reduction in the production of washing machines. It is understood, however, that this concern has obtained a defense contract and that those laid off will be reemployed in the near future. The Associated Manufacturers, Inc., laid off 110 workers in September due to priorities and to seasonal fluctuations. This firm is now back to normal production, however, and most of the workers laid off were rehired during October.

Dubuque.—The A. Y. McDonald Manufacturing Co. expects to lay off 20 skilled, 30 semiskilled, and 150 unskilled workers on November 15 due to a shortage of brass ingot and component parts for the manufacture of pumps, governors, etc. The General Dry Batteries, Inc. expects to lay off 876 workers in the near future because of a shortage of zinc. Due to the fact that the other foundries in Dubuque are faced with a similar situation, and to the fact that there is a relatively small demand for workers in other industries at the present time, considerable difficulty is anticipated in securing employment for the workers to be displaced.

Oskaloosa.—The Universal Manufacturing Co., has laid off 15 employees due to a shortage of 16-gage sheet steel, even though present orders justify the hiring of 30 additional workers. While some of the employees affected can be transferred to other jobs, there is no demand in the community for the occupations in which these workers have been engaged.

Albert City.—The Superior Manufacturing Co. has laid off a total of 102 workers during the past 4 months because of inability to obtain 16-gage cold-rolled sheet steel, and unless defense contracts are received an additional 60 to 65 workers will be laid off during the next 45 days. While several of the workers already displaced have secured agricultural employment in the area, some have already migrated to centers of defense activity, and a few are still unemployed. Due to the lack of demand for factory labor in this section of the State and to the relatively limited opportunities in agriculture during the winter months, considerable difficulty is to be expected in finding employment for additional workers that might be laid off in the community.

MIGRATION

Although accurate figures are not available concerning the migration of workers from the State, it is known that a considerable amount of out-migration has taken place since the beginning of the defense program. The most outstanding instance of out-migration during the past few weeks has been to the Lockheed Aircraft Corporation in California. As the result of aptitude examinations and personal interviews conducted by a representative of that concern, it is estimated that 1,000 to 1,200 workers, from all sections of the State, have already left town to accept employment with that establishment. Several hundred skilled and semiskilled workers have previously left to accept employment in the aircraft industry in Kansas, Texas, and California. There has also been a considerable exodus of skilled construction workers to Indiana and Missouri, and several skilled workmen in the metal-trades industry have left the State to accept jobs in Minneapolis. A considerable amount of intrastate migration has also been evidenced during the past year, and several hundred workers have migrated from less industrialized areas to those of greater defense activity. Differentials

in the prevailing wage scale have also resulted in the movement of skilled workers from one city to another. The only area from which a total figure of out-migration has been reported is Iowa City. The most reliable estimates available for that locality indicate that 1,600 residents have moved from the city since the beginning of the defense program. While the amount of out-migration is undoubtedly much less pronounced from most other communities, it is evident that the more agricultural areas have lost thousands of workers during the past year.

The most outstanding example of in-migration occurred at Burlington during the construction of the Iowa ordnance plant. Of the 11,000 workers employed at peak construction, only 15 percent were residents of Burlington, 4 percent lived elsewhere in Des Moines County, 41 percent were residents of other counties in Iowa, and the remaining 40 percent were from other States. The construction of the Des Moines ordnance plant near Ankeny has also resulted in a considerable influx of workers into the Des Moines area, and it is estimated roughly that 1,200 to 1,500 carpenters, bricklayers, plumbers, iron workers, and other skilled construction workers have recently migrated into Des Moines to work at the ordnance plant.

TESTIMONY OF DR. T. W. SCHULTZ, HEAD OF DEPARTMENT OF ECONOMICS AND SOCIOLOGY, IOWA STATE COLLEGE, AMES, IOWA

Mr. CURTIS. Mr. Sparkman will interrogate you, Professor.

The CHAIRMAN. For the record, will you give us your name, official capacity, and residence?

Dr. SCHULTZ. T. W. Schultz, head of the department of economics and sociology, professor of agricultural economics at Iowa State College, Ames, Iowa.

The CHAIRMAN. We have received the paper you recently delivered at Chicago. Because of its timely interest, it will be printed in the record.

POST-WAR PUBLIC WELFARE PROBLEMS IN AGRICULTURE

(Delivered before Agricultural Experiment Station subsection, Land-Grant Association, Chicago, Ill., November 10, 1941)

BY T. W. SCHULTZ, IOWA STATE COLLEGE

There are essentially two avenues for approaching this assignment. One entails examining the alternative kinds of peace that might come and take each and try to ascertain the consequences of these to agriculture. Another procedure would involve sizing up the more significant elements of change which are now in process in our economy associated with defense and war and see what these changes foretell.

I know that you concur with me when I say that the uncertainties which lie ahead are indeed great. No one can tell which of the many shadows forecasts for us the course of future events. These uncertainties make it necessary to be prepared to change our plans repeatedly as we proceed. The horizon is too murky to make (say) 10-year plans. All that I say about post-war problems which are likely to confront agriculture must be understood against this back drop of great uncertainty as to coming events, events born out of modern war which has potentialities for radically changing our basic institutions.

We may at the outset, therefore, agree upon one solid, important conclusion: In times of increasing uncertainty the premium for flexibility rises. This premium for flexibility holds without doubt for agricultural experiment stations. It behooves all of us to attain a maximum of flexibility, the type of flexibility which will permit us to shift our resources rapidly as new problems come to command our efforts. It is plain that flexibility of this kind adds to our margin of safety, and to our over-all effectiveness. My first dictum, therefore, is that we avoid certain long-time commitments at this time, and, instead, take steps to build flexibility into our organizations in order to more

effectively and more quickly reorient our efforts when social, political, and economic events allow us once more to plan for the long pull.

Let me illustrate: This is not the time to launch a 10-year research program on how to develop smaller family-type farms on the presumption that it will be necessary to absorb more people in our agriculture. Nor is this the time to launch hog-breeding programs designed to give us the British pork market after the war. Take the first illustration—it is not at all improbable that we might be at the beginning of a decade of full employment, which might well occasion larger rather than smaller family-type farms. And in the case of the second the technical, economic, and political changes in process may well give the Canadian farmers a clear claim to the British pork market, even at the expense of the Danes, after the war is over.

Let me return to the two avenues of approach: The first, as you recall, means taking certain presuppositions about the terms of peace and exploring the most likely consequences of those terms to agriculture. This approach has one distinct merit, namely, it focuses attention upon the shortcomings to agriculture of the terms of peace after the last war. We need to remind ourselves that one of the major consequences of the other World War and its peace was that it made agriculture into the black areas on our economic maps, the depressed sector of our economy. There has been considerable speculation about the broad economic effects of various terms of peace. I doubt that much more can be said at this time by using this procedure. The level of generality is simply too great to permit any useful, immediate, direct applications to your respective tasks of organizing and directing agricultural research.

I propose, therefore, to take the other road. As far as I know it has not been used to obtain a view of what might lie ahead. There are certain trends which I believe do foretell, in part, the type and scope of the post-war problems which are likely to confront agriculture. I shall classify these trends as follows:

- (1) Production for war.
- (2) General price inflation.
- (3) More maladjustments among relative prices.
- (4) Increase in debts and in rate of taxation.
- (5) Further barriers to trade and commerce.
- (6) More Government management and administration of economic affairs.

In each of these trends no one can say with certainty what is likely to happen. Much depends upon events and forces which are external to the United States, and also much depends upon what we ourselves do about current and prospective defense and war problems as they unfold themselves. Yet I believe that with some degree of probability we can discern the direction of the course of events, and we might, therefore, anticipate at least to some degree how we are going to react. It is with these qualifications that I now proceed to a brief detailed examination of each of these trends and their significance to our agriculture.

First. Production for war.

Our defense program has had at least one happy result. It has taught us how exceedingly large our unused, productive capacity actually was. We had not only idle acres but idle resources of almost every kind—labor, plants, finance, technical knowledge, organization, and management capacity—a large supply of each waiting to be put to use. Because of this slack, it has been possible thus far to actually produce both more butter and guns. Probably upward of a fifth of our productive capacity is now employed for war purposes. Thus far, however, these efforts have also added to our levels of consumption. Total production has expanded more than enough to provide for a substantial output of war materials and at the same time for more goods and services for consumption.

We are now starting a second stage. From now on total production cannot be expanded enough to offset the increasing amounts going for defense and war, and accordingly the amount available for consumption or for the replacement of plants and other capital equipment must decline. It is becoming plain that there will be less for consumption and less for the replacement of the capital goods used in normal production. This decrease will come chiefly in durable goods. More food is likely as agriculture expands its output, and this will result in better levels of food consumption within the United States unless the amount of exports to Great Britain and other countries more than cancels this expansion in agriculture including the large stocks that have accumulated. Certain farm

commodities will, of course, become scarcer because of the greatly enlarged shipments abroad; for example, cheese and dried milk. This, however, does not signify that the availability of food generally may not be increased sufficiently actually to give people in this country a better per capita diet. Our standard of food consumption, I believe, is likely to continue upward for at least the next year because (a) American consumers will receive increasingly larger incomes with which to buy, (b) some of the income of consumers usually spent for durable goods will be transferred to purchase of foodstuffs, and (c) the agricultural production potential is still 10 to 15 percent from being fully employed; especially there is the possibility of quickly converting the storage stocks of feed into food.

The third feature of this trend toward war production may be put quite simply: The longer the war continues, the greater will be the dislocations in the use to which resources are put and the more will the capital employed for the production of normal peacetime products become exhausted.

This proposition means that more people and plants will be put to work making the "wrong things" as far as a peacetime economy is concerned. More capital will be allocated to ordnance plants, shell factories, shipyards, and the like, and less to the production of private automobiles, homes, refrigerators, and radios. (The greater the speed and success with which we divert workers and plants into making materials of war, the more effective and efficient our efforts in defense become; therefore, of necessity, we must disrupt, for business or agriculture as usual is incompatible with war efforts.)

In agriculture this means that more of the resources of agriculture will be shifted to produce products which are not now available to us; for example, vegetable oils, vegetable fibers, especially jute and hemp. We will also expand food production for export outlets, which we do not expect to continue when war is over. Commodities affected include cheese and condensed milk, eggs, pork and lard, and many others. Conservation will be curtailed and our soils depleted. Less will be spent for power lines and farm equipment, less on repairs and replacement of farm buildings; less new farm machinery will be available and less will be invested in high-school and college education.

What then are the post-war implications to agriculture of this trend? I suggest the following:

(1) We will have the task of transforming a war economy—war workers and plants making shells and guns into making plowshares and other peacetime products. It will be part of our task to have devised plans which will make this shift with the least possible social cost.

(2) It should be possible to determine the type of capital goods and durable consumer goods in which deficits are accumulating and which, therefore, will command immediate attention as we direct our production efforts after the war.

(3) Agriculture will emerge with a much larger livestock economy on its hands, with more dairying, more cheese and dried milk factories, more butter and milk, more chickens and eggs, more pork and lard, and more beef cattle than we have ever had before. As I see it, we will have two choices: We may treat these additional food products as assets and be prepared to show how these may be distributed and consumed to better the diets of the American people, or we may view them as a liability and seek to destroy and curtail them. Without reservation let me recommend that we seek answers in keeping with the first of these alternatives.

(4) We need to be prepared in agriculture when the war is over to increase sharply our investments in soil conservation. It is our job to point out how and where this should be done and do it more wisely than heretofore. There will have accumulated a shortage of farm machinery, farm homes, and equipment for farm homes. Power and electric equipment may well deserve major attention.

(5) We should be prepared to assist the nonagricultural sectors of our economy in making the transition from war to peace production in ways which will not necessitate during the interim many people returning to agriculture during the relief period.

I must now turn to the other trends. I shall not give them as much time and consideration as I have the first.

Second. Some general price inflation

There is going to be more inflation than many of us had hoped would occur, but it probably will not get out of hand to the same extent as did prices generally as a consequence of the other war. There are a number of important straws in the wind. There are the sharp changes in policies of Henderson,

Wickard, Eccles, Morgenthau, and A. G. Black. Each is responsible for important controls when it comes to the problem of general price inflation. Nor should we overlook the intelligent and courageous position of the National Farm Bureau leadership. Nevertheless, much more needs to be done. The means at our disposal are higher taxes, forced savings, curtailment of credit, rationing of resources and consumer goods, outright price control, more conservative land appraisals, and insisting that farmers pay off mortgage debts.

I have the impression that the agricultural experiment stations and extension services have studied this very critical problem practically none at all. Not only have there been practically no studies to point out the means for preventing general inflation, but there has been virtually no educational work among farm people on this important problem. I am quite certain that most farmers simply do not have the information with which to formulate judgments on this issue. They do not know how to detect inflation. They are not informed as to various means for checking inflation, nor do they understand the impacts of inflation upon them. If my appraisal of the situation is correct, it would appear that we have failed conspicuously in providing farm people with the facts and information relevant to an understanding of the inflation problem. Why have we done so little when we all know that agriculture was burdened so greatly by the inflation which came as a consequence of the other war?

What about the post-war problems for agriculture which are likely to grow out of this inflation?

I suggest:

(1) Let us not wait until then, but at once get to work and contribute to a more basic understanding of the inflation problem: What it is and what can be done about it in our respective States.

(2) If we assume, as I am prone to do, that we are going to act promptly enough and effectively enough to keep prices generally from rising by more than 30 to 35 percent from present levels and thus not repeat, at least in extent, what happened from 1917 to 1920, the post-war problems will call for—

(a) Studies which will show us how to maintain the wartime price level even though it is substantially higher than that of recent years. This will mean discovering and introducing the necessary stability conditions, which have the capacity to hold prices from starting down, while not freezing the price of any particular commodity or service.

(b) Research which will point the way for getting producers and consumers when the war is over to formulate expectations on the belief that the higher level of prices will be maintained.

Both (a) and (b) are most difficult assignments. Both are, however, sufficiently important to agriculture to warrant a substantial allocation of research resources.

Third. More maladjustments in relative prices.

In one sense we have been spending most of our energies since 1920 straightening out maladjustments among prices occasioned by the other war period. Major categories of prices got seriously out of line with each other. Most nonfarm wage rates stayed up. Farm prices fell. Prices of services were too high relative to raw material prices. Freight rates were frozen at war levels. Price of farm products produced for exports were out of line with those produced wholly for domestic use. In most of these cases the brunt of the maladjustment pyramided and fell heavily upon agriculture.

We are again on the road to many bad price relationships. The drift toward inflation is responsible for some of these maladjustments in relative prices. Then, too, some of these shifts in relative prices are altogether necessary to effectuate changes in the allocation of resources, a technique for getting producers to change from peacetime products to war materials. To the extent that prices get out of line because of this, we should be wholly prepared to accept it as one of the necessary costs of transforming a peace economy into a war economy. Many of the maladjustments now in process, however, do not serve this end.

To illustrate: The loan rates on some farm commodities have gotten prices out of line. They are simply too high for the long pull. Some of these loans will give us increasing difficulty unless flexibility can be introduced, flexibility downward as well as upward. The rates of pay for some types of labor are becoming badly distorted relative to other prices. Also there are many business firms which operate under a kind of imperfect competition which makes for sticky prices which are now running up their "fixed" prices, and then these become too high for the long pull. There is the danger that in the near future

freight rates will be boosted and they may stay frozen at the new high levels indefinitely. And thus the price maladjustments multiply.

What about the post-war problems?

I recommend—

(1) That agricultural research agencies make the province of relative prices and their function one of their major fields of research. We know all too little about the detailed empirical side of this problem.

(2) That we orient our research in such a way that it will be useful to farmers in formulating broad political-economic judgments with reference to national policies in order that the leadership of agricultural interest groups, political representatives of agriculture, and the administrative and expert personnel of the Department of Agriculture may operate not only with more thorough economic analyses at their disposal but with an increasing number of farmers appraising their efforts who have an understanding of the fundamental nature and function of relative prices in production, distribution, and consumption.

Fourth. Greater debt and more taxes.

The public debt and taxation are both increasing.

This trend has many implications to us and to the future of agriculture. Before examining these, however, let me touch briefly upon present policies.

Let me start with the assertion: Now is the time to turn to a pay-as-you-go basis. The national income is increasing. It has risen from 71 billions in 1939 to an estimated 87 billions this year (1941). It will probably rise to 100 billions next year. Meanwhile, from now on out there will be fewer, rather than more, products available for consumers. Therefore, unless much of the surplus income is drained into the Public Treasury, it will make more difficult the task of getting private producers to turn to the production of war materials, and it will at the same time augment the dangers of inflation. There is thus every reason for taxing ourselves much more heavily than is now the case.

Here again I like to pose this question: Why is it that the economic effects of public revenue and expenditures have been so completely neglected by our outstanding agricultural research agencies, the agricultural experiment stations? To the best of my knowledge, all that is being done is a little work on a few projects dealing with local and county taxation. We apparently are prone to scrutinize a few nail holes and pay no attention to the big doors in our fiscal structure. Is it any wonder that farmers consider themselves "economic illiterates" when it comes to Federal fiscal policies? We have not given them the necessary factual information for formulating judgments of the relative merit of alternative policies.

However, to return to the main issue, a larger public debt and somewhat higher taxes are certain. As I have indicated, this trend has many implications. There is the likelihood of increasing competition of one set of public services with other sets for resources. As the allocation for agricultural action programs expanded, appropriations for additional research became more difficult. As the budget for defense and war skyrockets, the more normal services and functions of Government will probably find it harder to obtain funds.

The more important problem at present and in the post-war period is not the size of the public debt by itself nor the cost of servicing that debt, but (a) the economic effects of various types of deficit financing by government and also of reducing the public debt; and (b) the social and economic consequences of various forms of raising public revenue. The latter is especially significant because as the proportion of the total income that is absorbed by taxes increases, the impact of taxes upon the economy and the social well being of people rises. The formulation and promulgation of more rational and consistent policies in this field require that farm people have available to them the technical information which will permit them to appraise alternative measures with understanding.

Fifth. Further barriers to trade and commerce.

I have a growing uneasiness that we are setting the stage for more, rather than less, nationalism. In every country many industries are being established which are wholly uneconomic to that environment. The sharp increases in freight rates on the high seas (which have advanced three- to five-fold and more) have contributed greatly to this development. These higher shipping costs are of the nature of economic barriers to trade, a protection for new infant industries. This is happening on a great scale in most of the South American countries, in Canada, and in the United States. In addition, in

Canada and in this country, of necessity, the Government is trying hard to get certain war industries to establish themselves or to expand their output. After the war is over, most of these industries will demand, I am sure, that they be kept going. They will insist on the necessary subsidies, and it seems to me many of them will receive it. Should this be the course of events, we are headed for further disintegration of world commerce.

I will not enter into any speculations as to the prospect for United States-European trade after the war, because this will depend so largely on the terms of the peace. This is not to minimize the great importance of European trade to our economic health, but simply to recognize that at this time we simply do not know what is going to happen.

Within the United States it is likely that we will, during this period of war effort, reduce somewhat the barriers to interoccupational mobility intergroup and interstate trade. Defense and war is a national undertaking. All persons and groups of all parts of the country are inclined to bend every effort to the task. In such an atmosphere the interest of the whole predominates and the many group, State, and regional "isms" recede.

What then are we to say about the post-war situation as far as trade is concerned? I suggest—

(1) That the basic interdependency of the economy be examined and re-examined and its application and significance to agriculture be carefully analyzed.

(2) That the barriers to the mobility of persons, interoccupational, group, and State trade be studied along the lines followed by the B. A. E. in its report of interstate trade barriers, and that State experiment stations use this technique to study the nature and scope of the barriers to trade within their respective areas.

(3) That the agricultural stake in freer world commerce be given a high priority in agricultural research; specifically, this means determining the economic effects of various types of trade policies and procedures.

Sixth. More government and administration of economic affairs.

This point was the main burden of my paper before your land-grant association a year ago. The guesses which I ventured on this topic a year ago still stand.

The whole drift is toward more, rather than less, government management of the economic activities in agriculture. This trend is not new. It started after the other World War and was given much impetus by the great depression of the thirties. Defense and war efforts of necessity require more rather than less centralization in administration. A further break-down of international trade also contributes to this end.

Of all the major changes upon us, the coming of more public administration in agriculture is by far the most significant.

Because I spent most of the paper a year ago outlining a frame of reference for approaching this problem systematically in our studies, it will not be necessary, I presume, to repeat that material.

Finally, before I close, not I hope as an anticlimax, may I say a word about the post-war agricultural problems which do not have their origin in our defense and war efforts but which are of much longer standing? Here are the more important ones:

(1) How are we to transfer agricultural resources now employed in the production of cotton and wheat to the production of other farm products and into nonfarm occupations? Cotton and wheat are the chief examples within agriculture of the misuse of resources of long standing. There are, it is true, several less important products which also now claim more land, labor, and equipment than is warranted by their value to society. In spite of all the efforts of government during the past decade, very little has been done to effectuate a fundamental correction in this matter. What are the necessary steps?

(2) It is generally agreed that farm people in the main bear a disproportionately large share of the cost of bearing and rearing the future population of this country. The problem of how to distribute this cost more equitably has not been solved.

(3) The conservation of soil resources is vested with a public interest. How to allocate public funds in this sphere so as to maximize the social contribution is not well understood even with all of the large-scale experimentation in matters of conservation in recent years.

(4) The function and economic contribution of storage stocks is on a hit-and-miss basis. It certainly is comprehended most vaguely. Are they to be used to subsidize producers or to introduce stability conditions to the point where the additional social cost involved does not exceed the social gain?

(5) By what means may a part of the total social product be made available to farm families—presumably in the form of better diets, shelter, more education, resources to make possible greater occupational mobility, etc.—in order to assure low income farm people a minimum standard of living without occasioning a loss in resources from the production point of view, without freezing resources and people in the type of farming in which they are now engaged, and without subsidizing inefficiency. This problem presents a most difficult bundle of questions which research workers have barely touched.

I trust that this sketch, in which I have depicted in some detail the nature of the post-war problems that are likely to evolve out of our present defense and war efforts and those which we have inherited out of a longer past and which are likely to be with us and still demand attention when the war is over, proves useful to you.

TESTIMONY OF DR. T. W. SCHULTZ—Resumed

DR. SCHULTZ. I will make brief comment in three parts: One, on the question of expanding food production and on the question of labor shortages; two, on the effects of cheap labor on farm tenure and farm income and agricultural welfare; and three, some positive recommendations.

I will just scan this in order to lay the backdrop for your questions. The Department of Agriculture is asking for a sharp expansion of food production, especially in this section, particularly in the Corn Belt which reaches through Iowa into Nebraska.

Specifically in Iowa, that means increasing the production of hogs by 16 percent, and eggs and poultry by 14 percent.

Now, concern has been expressed in the press and in public discussion as to the effect of demands for labor from outside of agriculture, upon this possibility of increasing food production. My judgment is that we have at work, or have had at work, forces that are really of a kind so that we do not have as yet a labor shortage.

I have submitted for your record a statement from Professor Hopkins, who has probably done more on farm technology and mechanization than any other person I know of in this country. For Iowa, the upshot of his whole analysis is that we really are at a period at which mechanization has released much farm labor in the last 5 or 7 years, and the demand of the defense program for more food comes at a time when there is a slack in the labor forces on most farms—that is, the family farms.

Since the depression, and since agriculture was revived in 1935, numbers of tractors in Iowa have gone from 30 percent of all farms to about 70 percent of all farms. Numbers of mechanical corn pickers have increased from 5 to 15 percent, and they pick corn on more than just one farm. There has been a wave of mechanization here that has released labor for the handling of livestock.

INCREASE IN NUMBER OF WAGE EARNERS

That is an interpretation of Professor Hopkins' memorandum.¹ Furthermore, over the last 10 years we have had this peculiar thing happen: While the number of persons in agriculture stayed constant, the number of persons of working age increased sharply. The 1940 census showed that while there were 30,500,000 people in agriculture

¹ See p. 8524 et seq.

as a whole in 1940 and in 1930, there are now 1,400,000 fewer people below 20.

The same thing is happening here in Iowa. We have 25,000 fewer males on farms, after the 10-year period. But the number between the ages of 20 and 65 has increased. The drop has been in those below 20 years of age. That is true all through the section to the East, but not in Nebraska, because of the drouth and in the section from the Dakotas to Kansas.

The CHAIRMAN. I believe your outline shows how it was before the drouth.

Dr. SCHULTZ. The increase was 1,000,000 for the ages 20 to 64 and 400,000 for the ages 65 and above.

The CHAIRMAN. Which exactly balances each other?

Dr. SCHULTZ. The important part of it is that even in Iowa, where we have lost farm population sharply in the last 10 years, the age of working people on farms has been going up.

The CHAIRMAN. What is going to be the answer 10 years from now?

Dr. SCHULTZ. The thing we have to begin to think about in our agriculture is that the age of our farmers is going up. Our agriculture has become stocked with personnel that is getting much older. That shows up very definitely in the figures. We have many more people over 60 who have been dammed up on the farm. They haven't been able to retire. That is part of their story. But we must get ready for an agriculture that is being operated by many more old people. That is one of the indications.

INVISIBLE UNEMPLOYMENT

With reference to food production, I should like to make the general assertion that in agriculture as a whole, and in agriculture here, we have in effect a large "invisible unemployment." We have had it for a long time. People are working hard, but working at things which are not very valuable to the total economy. I make that statement because in this country we are inclined to think of the unemployed as those people who can't get jobs in the city, and who are not getting a pay check. But in agriculture we have been damming up people who are not effectively employed, who are employed only at very low returns to themselves.

The next general point in my statement is the effect of cheap farm labor upon farm tenure, farm income, and agricultural welfare. I would like to make the general assertion, in terms of agricultural policy, that farm labor is the cheapest labor in the United States; and that is especially true in this section.

If we want to plan wisely, we have to start with that fact. After the other World War, the prices or wages of the human resource of other occupations stayed up. While real income improved, farm wages came down with farm income, and we have had exceedingly cheap farm labor, in terms of costs. I don't mean only those who are hired, but all the way through the farm economy, which means chiefly the labor given by the family. I would assert emphatically that even if farm wages were to rise 50 percent over the level of the last 5 or 10 years, they still would be cheap, relative to the other parts of the economy.

Now, a word about the effects of cheap farm labor on farm tenure. I am going to make an exception of what is happening around the

ordnance plants at Ankeny and at Burlington. Those are the only two in Iowa. I should say that the farm-tenure situation is closely related to the changing value of farm labor. That is a general, over-all statement. The relative position of farm labor worsens as the basic conditions governing farm tenure become adverse. The two are definitely interrelated. As the value of the farm labor improves, farm tenure gets better.

IMPROVEMENT IN FARM-TENURE CONDITIONS

In Iowa, since 1935, farm-tenure conditions have improved. In the last 2 years they have improved considerably. The turn-over has dropped. In 1935, 25,800 tenants moved. Last year there were 12,200. That was one major improvement.

That 1935 figure was large because so many tenants could not pay their rent and found themselves looking for another farm. That was the condition that prevailed in agriculture at the time.

The whole import of what I want to say is this: Forces are now at work which may improve the position of farm labor, as such, and this will very definitely help improve tenure conditions. I think we are quite definitely developing a situation this fall in Iowa in which there will be much less pressure of tenants on farms than we have had since the depression. That means that more of the people coming out of the farm-labor brackets are being drawn off and are finding opportunities elsewhere. That is part of the improvement of the farm-labor situation.

The CHAIRMAN. When you refer to farm labor, do you mean labor performed on the farm, or do you mean that these farm laborers have found employment in defense industry?

Dr. SCHULTZ. When I speak of farm labor, unless I qualify it, I mean all the labor that goes into agriculture, which in this section is primarily done by the family—the parents and sons. There is relatively little hired labor. So I am thinking of that total labor force which has been so exceedingly cheap as an agent of production.

The CHAIRMAN. But it is labor applied to the farm and not to some industry by some other member of that family?

Dr. SCHULTZ. That is right.

The CHAIRMAN. When you speak of the improvement of farm labor, then, you mean greater income to those who constitute that pool of labor?

Dr. SCHULTZ. Yes; that is what I mean.

The CHAIRMAN. Which might include the farm hands?

Dr. SCHULTZ. Yes; it does definitely; and any forces which tend to improve the position of that labor as a whole improve tenure conditions quite notably and lay the base for better tenure conditions.

The CHAIRMAN. I agree with you on that.

FARM INCOME AND LABOR RATE

Dr. SCHULTZ. There is one broad over-all criticism of our agricultural policy: That we have not recognized the close relationship between farm income and the cheapness or dearness of the whole labor force. The total net income of farm people derived from agriculture in 1940 was about \$5,500,000,000. That is the income that was available to farm people, out of agriculture. Now, most of that came as a return for labor that they put in. I have taken out operating expenses and rents to people not in agriculture, and items of that sort.

The CHAIRMAN. That \$5,500,000,000 represents the gross?

Dr. SCHULTZ. It represents the income to the farm people paid for two things—their property, or equity, which is about \$33,000,000,000 in the United States, and their labor.

The CHAIRMAN. In business you might call that gross profits.

Dr. SCHULTZ. It is a return on their equity, their property rights, and their labor. Now, when I break it up between property and labor, the bulk of it—anywhere from 50 to 66 percent, depending on the basis of your calculation—is a return for human labor, and that is primarily what farm people are selling in this game called agriculture. The property item is secondary. Yet in our total picture of the farm program, we have approached this repeatedly from the property end—the land, the equity in land, real estate, buildings, and drainage.

Important as those are, I want to focus attention on the fact that as long as labor in agriculture is cheap, farm income must and will continue to be low. The two are correlated, and they are compounded so that you can't pull them apart. We must focus on the human agent, and not solely upon the other resource, in determining our agricultural policy. In our program we have focused our attention upon what I call the resource problem—that is, getting the right amount of land in soybeans and the right amount of land in corn and wheat, and stabilizing the market and getting cheaper capital rates for land, all of which are important—but we have not focused upon the human agent. Our benefit payment program has been, in the main, shifting over gradually from what I call the natural-resource problem to the human agent. Now, if I may, Mr. Sparkman, I would like to say several things on the positive side.

RECOMMENDATIONS

At this time it is exceedingly wise to take steps to improve housing conditions of farm workers. I say that because it is to the interest of the farmers who hire. In Iowa the farmer finds that if he hires a man who is married, such a worker is more likely to stay and to give better service. But the housing available to him becomes very important in determining whether he stays. The farmer is anxious to improve the housing, and it is to his interest to do so. We ought to take advantage of that parallel of private and public interest.

Also we ought to remodel the farm program to transfer more consideration from land to the human agent, from farm prices to the wages which the farmer earns whether he is tenant or owner. In Iowa, according to the State A. A. A. office, next year the earned income will be doubled, as against income on land, which is a good step forward.

Mr. ARNOLD. Wouldn't that cause landowners to want to farm their own land?

Dr. SCHULTZ. Yes; except that the earning performance involves a sacrifice commensurate with the payment. When they really have to get out there and earn it, there is an offset, you see, to the inducement. If the additional income comes as a gift, yes; but in terms of performance and better farming practice, then I should say it is not likely.

The memorandum of Professor Wilcox needs emphasis, and it is one of my recommendations that we recognize that our vocational training for farm boys and girls does not prepare them for this migration to opportunities outside of agriculture. It is all oriented inside. The young man who testified this morning brought that out very nicely. We know it very well, but we are not doing very much about it under the emergency vocational course.

If half of the farm boys are going to find jobs outside, then let's train them for those jobs so they won't have to be started as unskilled workers.

The second point is that we should have a broad outlook on school work, like we do in preparing the economic outlook for farm commodities and farm commodity prices. The Department of Agriculture is doing an excellent job on farm commodities. We don't do that with the man who is going to invest his career in farming. A program of giving attention to the human agent in agriculture in terms of jobs is very much overdue.

Finally, I should like to see your group in some way get the land-grant institutions to tackle the labor problem. It is certainly in the mandate of the original charter that set up these schools. There is no research, no study, no investigations into the position of labor in our economy. Contributions to science have been started by specifically saying to the researchers, "Get to work on this thing." I think the time is ripe for a broad legislative mandate authorizing and calling for systematic study of the social and economic aspects of labor problems in all of the States.

The CHAIRMAN. You have covered pretty well the questions I had wanted to ask you. Do you not believe that the expanding food production program will be adversely affected by a labor shortage?

EFFECT OF LABOR SHORTAGE ON FOOD PRODUCTION

Dr. SCHULTZ. I believe that the dairy sections, the milk sheds around Milwaukee and Chicago and St. Louis and probably Kansas City, where labor competition shows up most critically, will feel some shortage, but it has been greatly overemphasized. The difficulty is that we are used to very cheap labor in agriculture. It is difficult to readjust from \$45 to \$60 labor. But there is no actual shortage.

The CHAIRMAN. You have referred to the influence that farm mechanization is having upon the agricultural labor market. Will you discuss that angle?

Dr. SCHULTZ. Farm mechanization has gone far enough in the last 5 or 7 years to release a large amount of labor. It has been labor-saving in its effect, and we can use that labor now in producing 15 or 20 percent more hogs. We have to spend less time in the corn field and in cutting grain, and so we have more time to do the feeding which is called for now in the new program. That is the way it works out.

The CHAIRMAN. You mention in your statement the "invisible unemployment" in agriculture. Would you elaborate on your conception of invisible unemployment on the farm?

Dr. SCHULTZ. We are prone to think that if people are working 10 or 12 hours a day, somehow they are employed. They are employed physically, but they may still be partly unemployed economically. They are doing work for a very low return, and they are doing too much of that work, in terms of the national economy.

The CHAIRMAN. As you see it, then, when a factory is given an order to curtail production, some of its employees are laid off, and they are walking idly on the street; whereas if there is a curtailment in production on the farm, or if the going becomes harder, one member of the family does not say to another, "You are out of work"; all of them simply continue to do the job which might be done by two or three. Or, as you go on further to say, they may work harder in order to try to avoid the hardship that is threatening.

Dr. SCHULTZ. That is right. It is well put.

The CHAIRMAN. That is what you mean by invisible unemployment on the farm?

Dr. SCHULTZ. Yes; and there is a great deal of it.

The CHAIRMAN. Unless we keep that in mind, we have an untrue conception of the farm-labor market.

Dr. SCHULTZ. That is what I would say; yes.

EFFECT OF LOW INCOME UPON FARM TENURE

The CHAIRMAN. You have been discussing low farm income, or, as you refer to it, cheap farm labor and its effect upon farm tenure. I wonder if you would not agree also that it has the same effect upon land uses, up on the care of the land.

Dr. SCHULTZ. Yes. That is a big story, one that we don't know much about. But the little that we have learned suggests that as we move to southern Iowa and farther to the south, low income is definitely associated with misuse of the soil.

A family that finds itself caught in a low income and can't raise the money to do the things it wants to do for education and food starts to retrench in its outlays on the soil, and pushes the land too hard.

The CHAIRMAN. That is certainly true in my section.¹ Of course, down there cotton is the principal crop and it depletes the soil rapidly.

It is the hardest thing in the world to get a person of uncertain tenure to engage in soil-building practices, such as terracing and rotating of crops, planting lespedeza, or cover crop during the winter, because he feels that he is called upon to put an investment in something that is uncertain as to its benefit to him. I presume that is true everywhere.

Dr. SCHULTZ. The problem is perhaps less serious here, but we have it in some degree.

CHECKS ON INFLATIONARY LAND PRICES

The CHAIRMAN. Are land prices in Iowa increasing to the extent that an inflationary land boom is imminent? And if so, what are the factors responsible?

Dr. SCHULTZ. I wish you would put that question to Mr. Hawley and others who have contacts in the field. I believe tremendous forces are at work to make for inflationary land prices. However, the bitter experience of 25 years ago is still acting as a check. I met with a group of 50 farmers the other night, and this subject came up. There was a strong feeling against doing anything that might start such an inflation. As long as that general will prevails, we may be able to hold it off. The Farm Credit Administration, in its conservative appraisal policy, and the insurance companies are all contributing to hold that inflation in check. But impact of high prices is definitely tending to set the psychology for still higher prices. We must not forget what happened last time.

The CHAIRMAN. A good many witnesses before our committee from time to time have made the point that the educational system, particularly the high schools, is not doing a satisfactory job in training students for work. I gather from your statement that you agree.

Dr. SCHULTZ. I concur very definitely.

The CHAIRMAN. And you believe that our school system should

¹Eighth Congressional District of Alabama, including Colbert, Jackson, Lauderdale, Lawrence, Limestone, Madison, and Morgan Counties.

be so set up that those boys and girls can be taught or prepared for jobs wherever those jobs might be?

Dr. SCHULTZ. That is right; and it applies not only to agriculture.

The CHAIRMAN. But in the machine shops also?

Dr. SCHULTZ. That is right.

The CHAIRMAN. What should be the aim of the agricultural policy with reference to defense and post-defense problems? I am thinking particularly of your discussion of the farm labor market at the present time, in relation to the expanded food program. A great many of our people have been taken from the farms and put to work on defense projects and in the armed forces. After this thing is over—and it is going to be over some day—what is going to happen?

Dr. SCHULTZ. I am afraid if I start on that topic, we may get too deeply involved for the time at our disposal.

The CHAIRMAN. The answer to that question is one of the objects of all our hearings.

Dr. SCHULTZ. The statement I prepared for the land-grant colleges just last week covers that point, and you have already incorporated it in the record.¹ I followed six or seven trends and what they mean in agriculture.

FOOD PRODUCTION AND CONSUMPTION

I want to be constructive, though, to the extent of saying one positive thing: We may find it necessary to create a market within the United States which will consume all that the Corn Belt and related livestock areas can supply. We are expanding so sharply the production of dairy products, pork, and other such products, both for Great Britain and ourselves, that I think an expanding market, after this emergency is over, will be necessary. In the Surplus Marketing Administration, and in some of the techniques that you have been experimenting with to get more general food distribution through our total population, we shall have the necessary public machinery for widening this distribution of the product of agriculture of this section, working at full capacity in the years after the war. I don't think there will be a repetition of what we went through after the last war.

The CHAIRMAN. You think we are going to be better prepared.

Dr. SCHULTZ. I think we have much better public machinery in agriculture with which to tackle the problems as they arise in that post-war picture.

Mr. OSMERS. I believe that all the measures that would come under the heading of "preparation" are based, in our minds, upon the expenditure of Federal funds.

Dr. SCHULTZ. Yes.

Mr. OSMERS. These agencies for distributing Federal money over the farming areas of the United States.

Dr. SCHULTZ. Not over the farming areas, necessarily, but into devices which will expand food consumption. There is a difference.

Mr. OSMERS. Did the possibility of Federal insolvency ever occur to you?

Dr. SCHULTZ. It is quite conceivable that we have a tax-paying capacity that we haven't even dreamed about. We will probably learn something of it in the next year or 18 months.

¹ See 8504.

Mr. OSMERS. There hasn't been any indication, at least to Members of Congress, that our tax-paying capacity today is equal to one-third of our expenditures, or between one-third and one-half. For 10 years now, roughly, we have failed to raise more than half of the money that we have expended. When the tax bill which has been enacted by Congress this year, with the one that is proposed, come along, I do not believe we shall have over half the necessary revenue, even with our greatest income. I don't think we will raise more than half the money we are spending.

Dr. SCHULTZ. Let me state the problem in terms of the necessity of raising more revenue.

That is the approach of the largest pressure group in agriculture, the National Farm Bureau, and I think it is very sound. It is far ahead of other pressure groups.

We have been increasing our national income seven to eleven billion dollars a year, and we ought to be draining all that off as public revenue.

Mr. OSMERS. I won't attempt to debate or dispute that point, but so long as we do not have the courage to do it we are headed for insolvency. When this is over we may have a debt of one hundred and fifty or two hundred and fifty billion dollars, and that is going to give us something to worry about right there before we have time to worry about the farm program.

Dr. SCHULTZ. My answer is that that is not the problem. If the Government is taking in enough to prevent run-away inflation, we shall emerge in the post-war picture perhaps as we did in the Mellon post-war period, when revenues surprised us, as compared with expenditures. It is conceivable, provided we are now willing to slap on two or three times the income taxes that we have right now, bitter as that seems.

Mr. OSMERS. It doesn't sound bitter to me at all. The recent tax bill may be entirely inadequate for the work in hand. It may be a sop to a public which is conscious that something should be done about the tax problem, but that sort of program certainly won't stave off inflation.

Dr. SCHULTZ. The farming groups, both the middle and left wings, the Farm Bureau and the Farm Union, are taking a very strong position. They say we must double and triple those taxes and do it quickly. That has a bearing on where we are going to be when the war is over.

Mr. OSMERS. I wish that attitude could be reflected in Washington.

DISTRIBUTION OF FARM COMMODITIES

The CHAIRMAN (to Dr. Schultz). As I understand it, you are advocating a more orderly distribution of farm commodities, through improved public machinery, and thereby relieving the threat of overproduction, so-called, of those commodities. You think the cost of operation of that machinery is repaid many times in the orderly procedure that it gives to us?

Dr. SCHULTZ. Yes; I would say that very emphatically. The cost of this new public machinery for the complex, wide-flung industry called American agriculture, that we have created in the last 6 or 8 years is really a very small overhead for the job it will accomplish.

The CHAIRMAN. It is paying for itself.

Mr. OSMERS. You are going to run into a problem insofar as the city population is concerned. And I must take you back again to the tax question. More people are leading an urban life than a rural life.

They will be paying a larger portion of the direct taxes. Before they submit to taxes of the character we have been discussing, an entirely new concept of taxation—they will demand economy in the solution of the farm problem, and that retrenchment would seriously hamper the program.

Dr. SCHULTZ. It might hamper certain phases of the program. There are other phases, such as the labor aspect of the economy and the consumer element. The city people are going to support the Surplus Marketing Administration—the kind of thing that will make milk more generally available.

Mr. OSMERS. Unless I misjudge the urban mind, I think the city people would go along a considerable distance on programs such as the Farm Security Administration.

Dr. SCHULTZ. That is right.

Mr. OSMERS. I refer to the programs that rehabilitate farmers and make them independent and take them off public relief. Those should be expanded.

Dr. SCHULTZ. That is very true.

Mr. CURTIS. Do you contend that by raising farm wages you can raise the price of farm products?

Dr. SCHULTZ. No. When you begin to say, "What can we do to make human labor in agriculture more valuable to all of us?"—getting back to the point that was just made here—you have a very complex problem on your hands. There is no easy road. You cannot just do it by any mandate for the few people who are hired, especially in agriculture through this part of the country; but I should say that in formulating agricultural policy, instead of starting to keep our cornland values up, or keeping our resources in good shape—all of which are important—we ought to start by considering the human agent in agriculture.

Mr. OSMERS. And by that you are referring especially to the family-type farm, and not to the hired man?

Dr. SCHULTZ. Quite correct.

The CHAIRMAN. Thank you very much.

Mr. TIPTON. At this point I should like to introduce into the record a number of statements dealing with the subjects that Dr. Schultz has been discussing.

The CHAIRMAN. They will be printed in the record at this point. (The articles mentioned follow:)

FITTING RURAL YOUTH FOR PRODUCTIVE WORK

REPORT BY WALTER W. WILCOX, IOWA STATE COLLEGE

Today under the stress of expanding defense production as rapidly as possible, something over 580 defense-training courses in trades and industries are being offered in Iowa.¹ These courses are assisting the people of Iowa to equip themselves to make their maximum contribution in the defense effort.

¹ During the year 1940-41 various types of defense-training courses were offered in the State, as follows:

1. A total of 221 courses for adult defense workers were conducted in 11 cities.
2. A total of 201 general and specific preemployment courses were conducted for rural and nonrural out-of-school youth in 77 different Iowa towns and cities.
3. Thirty different towns and cities conducted 156 courses involving vocational and related training for out-of-school youth employed on National Youth Administration work projects. Although this third phase of defense training was financed out of subsection 5 of Public Law 812, Federal and State policies permitted training which was of a nondefense character.

It is the thesis of this statement that such training, now entirely supported by emergency Federal appropriations, should be placed on a permanent basis, expanded, especially in rural areas, and integrated with our present public school system. Furthermore, it should be supplemented by an up-to-date national vocational-guidance program. The arguments for an expanded-training program for nonfarm employment are of several kinds:

1. Industrial jobs are requiring more and more skills. Hence, the human agent requires more training to be able to perform them efficiently.

2. In the recent past over half the boys reared on farms in the Middle West have migrated to nonfarm occupations. Approximately half the boys for the next 20 years will have to continue to find nonfarm jobs, even though no further farm consolidation takes place. If there is any appreciable consolidation of farms due to the ability of a family to operate a larger acreage with modern machinery, even more migration will take place.

3. A comprehensive vocational-training and guidance program operating in every county in the State would greatly facilitate the mobilization and training of the human resources in the most efficient manner.

4. Furthermore, it is believed that the operation of such a program would lessen the need for migration to find jobs, tend to facilitate decentralization of industry, both geographically and among a larger number of small firms and contribute materially to the stability of production of industrial goods.

Farm leaders in Warren County, Iowa, became so impressed with the magnitude of their farm-youth problem that in 1939 the Agricultural Planning Committee undertook a comprehensive study of it. They studied the rate of retirement and death of farm operators and the number of boys reaching the age of 20 each year. By matching the two sets of figures they found there were between 2 and 3 boys reaching the age of 20 for every farm available to operate. They also reviewed the situation with respect to numbers of farms. They found there had been no change in numbers in the last 20 years and did not expect much change in the near future.

A review of the training and employment status of the young folks who had left the farms indicated that the most of them had taken unskilled jobs in the towns and cities when they first left home. Very few had any vocational training. And these untrained boys were the first ones laid off when employment slackened. This inquiry into the facts in the situation led the Warren County Planning Committee to recommend that more vocational training be provided for the young people who would be required to leave the farm to find jobs.

The situation in Warren County would be duplicated in every rural county in Iowa and probably in every county in the Middle West.

Agricultural people have asked for and obtained public support for vocational training of rural boys and girls in agriculture and home economics. Since one-half or more of their boys must find jobs in cities, it is surprising that they have not asked for similar training for nonfarm occupations. Perhaps it is to be explained by the desire and attempt on the part of many families to keep their children on their own or neighboring farms.

Few of the farm people who express a desire to keep their children on the farm think through what it would mean if all children born on farms remained in farming. What they inarticulately are groping for in most instances is the development of forces which would encourage the most promising farm operators to remain in their home communities while the less promising ones entered non-farm occupations. What they have almost universally overlooked is the fact that a well-rounded vocational training and guidance program would assist them in achieving their desires.

Financial opportunities in agriculture are limited by the large number of persons attempting to make a living at this occupation. This fact alone discourages many of the most energetic and ambitious young people from undertaking farming as their vocation. But what is probably fully as important, the up-and-coming youngsters find that there are many untrained and only moderately capable individuals who would like to get out of farming. Because of lack of training and vocational guidance these less-qualified people are unable to get other jobs. Many able young people who might like to farm if they had congenial neighbors and could live in a community with relatively high non-monetary as well as monetary living standards turn from farming to other occupations.

A greatly expanded vocational training program giving farm youth an opportunity to select from among a number of vocational training courses, together

with a functioning system of vocational guidance, should result in the various individuals having more nearly equal opportunities to choose the vocation they like best.

Under such a system, many individuals who now remain in farming not because they like it and take pride in their husbandry, but because they find it impossible to do otherwise, would quickly enter nonfarm occupations. This in turn would make farming more attractive to others. Agriculture should have nothing to fear from such a program. The results would be more economic utilization of our human resources through getting a better "fit" of men to jobs. It should also result in a more desirable rural culture through the operation of a more intelligent selective system.

A broad, effectively organized system of vocational training and guidance has significance in other directions, besides facilitating the movement of surplus farm people into nonfarm occupations. The centralization of industry into a relatively few large corporations and congested urban areas is in part the result of the absence of skilled workers in rural areas. Large companies have their own labor training programs. Small companies cannot afford them. New small businesses must establish themselves adjacent to supplies of skilled labor which usually means still further concentration of industries and workers.

The knowledge that a continuing supply of young trained workers would be coming on each year might be just the added advantage necessary to cause a business to locate in a small town or city. The existence of such a trained labor supply in rural areas would be an important factor influencing decisions of men who would like to start up a new small business to manufacture or process some product.

Under our present system of training industrial workers, the young men get a minimum of training in skills other than those necessary for the particular job to be done in the industry furnishing the training. The workers have little opportunity for learning the skills required or the prospective employment opportunities in other branches of industry. A sound, modern vocational education program supplemented by vocational guidance would make it easier for labor to shift from one job to another, thus tending to reduce the immobility of labor and to stabilize employment in industry as a whole.

Furthermore, the existence of trained young people with roots on the farms, in periods of slackened demand for labor, might be expected to materially change the rural landscape. At the present time, as soon as the unskilled farm boy loses his job, he returns home and helps a little with the usual farm work, awaiting the time when he can get another unskilled job in the city. With training these farm youth could do much of the skilled work necessary to bring rural housing facilities up to the standard of housing enjoyed by the middle income nonfarm people. High wages for skilled workmen have been an important factor retarding rural electrification, farm home modernization, and the repairing of farm buildings.

One further gain which might be expected from such a vocational training and guidance program would be the injecting of the public interest into the recruiting of new laborers for any particular trade. At the present time, in some cases a small group of union leaders with extremely narrow, selfish interests dictate training and apprenticeship terms. Changes in apprenticeship policies would be required. Care would have to be exercised to prevent the demoralization of any particular trade. But the vocational guidance program would fill just such a need by studying employment trends and wage rates in the different fields and informing the new recruits of their findings.

The objections to such a program as outlined here will come from 3 sources. One group will say that we cannot afford such a comprehensive program. The answer to this objection is that the costs will be repaid several times over in the increased productiveness of the workers filling jobs for which they are trained and fitted as compared with the present largely accidental system of fitting jobs and people together. A second group—farmers—will be afraid that the rush to the cities will be speeded up. This point has already been covered in the discussion. The present farm-labor shortage due to excessive defense demands must be recognized for what it is—a temporary war situation. As long as farm families have sufficiently high birth rates to more than maintain themselves, they will have a surplus of youth who must find non-farm jobs. The third group to object will surely be organized labor, but here again further study should indicate that only relatively few groups in labor who are now engaged in monopolistic practices will be adversely affected.

It is even probable they may be benefitted by steadier employment and lower living costs brought about by such a program.

The political prospects of adopting such a program during a period of unemployment are not bright. How much better off we would be today had we adopted such a program 5 years ago. If the present emergency program is to be converted into a permanent and integrated part of our public education system, action in that direction is urgently needed immediately. A permanent vocational education and guidance program will not solve all of our problems. It is no cure-all for our economic and social ills. But the emergency defense training courses are filling a real need. Similarly an expanded program making vocational training in a wide number of fields available to every rural youth would fill a real need. The beneficial effects would flow in a number of directions.

TENANT MOBILITY IN IOWA¹

REPORT BY RAINER SCHICKELE, IOWA STATE COLLEGE

A survey conducted in early February 1941 reveals that 11 percent of all tenants definitely knew they were moving in March, and 2 percent were still uncertain whether they could stay. Applying a mobility rate of 12 percent to the 101,484 tenants reported by the 1940 census, we arrive at an estimate of 12,200 tenants moving off the farms they occupied in 1940.

Compared with earlier years, the rate of tenant mobility seems to have declined, as is shown in table I.

TABLE I.—*Tenant mobility rates, 1920-41*

Year	Percent of tenants moving	Number of tenants moving	Year	Percent of tenants moving	Number of tenants moving
1920.....	12.7	11,000	1935.....	20.3	21,800
1925.....	25.6	24,000	1940.....	14.0	13,400
1930.....	20.6	20,400	1941.....	12.0	12,200

Source: 1920-40: U. S. Census, 1940, Agriculture, Second Series, p. 10, 1941: Farm Tenure Survey, February 1941. Bureau of Agricultural Economics and Agricultural Marketing Service, U. S. Department of Agriculture, cooperating.

A number of factors may have contributed to bringing about this decline in tenant mobility. We have, however, no data to weigh the relative importance of such factors. Some of them we may list briefly:

(1) The years 1937-40 have been comparatively stable with respect to crop yields and prices. Hence, fewer tenants are likely to have defaulted in rent payments, fewer landlords were disappointed with their rent returns, and there were probably less causes for frictions between the two parties than in the earlier thirties.

(2) In 1939, the Iowa Legislature enacted a lease termination law which provided that unless written notice for termination is served before November 1, that lease is to remain in effect for the following crop year. It is likely that this statutory provision, which has been widely publicized and is wholeheartedly approved by the great majority of the rural population, has tended to increase the tenant's security and to reduce tenant mobility.

(3) The rate of foreclosures has fallen rapidly, from 40 per 1,000 farms in 1935 to 13 in 1940. The mortgage moratorium, which became effective in 1934 and expired in 1939, in conjunction with the debt adjustment work carried out under the auspices of the Farms Security Administration, has

¹ This report is largely based upon two surveys undertaken cooperatively by the Iowa Agricultural Experiment Station and the Bureau of Agricultural Economics, U. S. Department of Agriculture: (1) The Farm Tenure Survey of February 1941, and (2) The Rent Determination Survey of August 1941. The first covered a representative sample of 3,713 farms. The schedules were taken by Works Project Administration workers under the Farm Employment Survey, Official Project No. 165-2-72-285, State Work Project No. 5782. The second covered 157 tenant farms in the 5 major type-of-farming areas. The schedules were taken by J. Lloyd Spaulding, Bureau of Agricultural Economics, who is cooperating in their analysis and summarizations.

resulted in many a debt settlement which left the occupancy of the tenant undisturbed.

(4) The awareness of the strong competition of young farmers and migrants for farms due to continued unemployment in industry may have induced tenants to stay on their farm if they possibly could. This might explain partly the decrease in mobility in the face of keen tenant competition for farms to rent.

According to our February Survey, 20 percent of the tenants moving off their farms in 1941 intended to, or were forced to quit farming, at least for the coming crop season. Of all tenants quitting farming in 1941, 78 percent did so involuntarily; they would have preferred to continue farming, but for some reason were unable to obtain farms. Expanding these proportions from our sample to Iowa as a whole, about 1,890 tenant families were forced off the land in the spring of 1941; this means that about 20 tenants per county, on the average, were squeezed out of agriculture and driven into towns or cities against their will. This "displacement" of tenants, however, need not be associated with farm consolidation, as most of them were probably replaced by other tenants or owner-operators.

In August 1941 another more intensive "rent-determination survey" of 157 tenant farms scattered throughout Iowa was undertaken. Although this sample was not designed to represent Iowa tenancy as a whole, some information was obtained from this survey, which is relevant to the problem of tenant mobility.

About 34 percent of the previous tenants of 71 farms on which the present new tenants were interviewed were reported to have quit farming in 1940 or 1941, as indicated in table II. Voluntary retirement due to age, health, etc., appeared to be the reason for quitting for 14 percent, while most of the other 20 percent were displaced from farming against their will, probably.

TABLE II.—*Tenure and occupational status of farmers moving off the farm in 1940 or 1941*

	Number	Percent
Number of tenant farmers having moved in 1940 or 1941.....	71	100
Farmers continuing farming.....	47	66
On rented farms.....	31	44
On bought farms.....	13	18
On farms already owned.....	3	4
Farmers quitting farming.....	24	34
Retiring to town.....	10	14
Active in town.....	9	13
Miscellaneous ¹	5	7

¹ Includes 3 working as hired hands, and 2 whose whereabouts are unknown to the present tenants.

Source: Rent Determination Survey, August 1941. This information is a summary of what the present tenants reported of their predecessors.

Although this sample was not intended for expansion over the State as a whole, the orders of magnitude of the changes in tenure and occupational status of the tenants which left those farms in 1940 or 1941 are worth observing, and may not be far from reflecting widely prevailing conditions. The fact that the percentage of retiring tenants is so much larger in this (14 percent) than in the February survey (4 percent) probably means that retirement of farm families has, in recent years, been an important source of farms available for rent, since the 4 percent of the February survey refers to all tenants moving, while the 14 percent of the August survey refers to the predecessors of the new tenants who moved onto these farms in 1940 or 1941.

The 9 families who were reported to be active in town are supposedly engaged in carpenter work 2, truck driving 2, paperhanging and painting 1, business 1, and miscellaneous or unknown occupation 3.

The August survey yields further information of relevance to mobility. Of the total of 157 tenant farmers interviewed, 15 percent knew they would move in 1942, 23 percent were uncertain, and 62 percent definitely planned to stay. The tenants' plans for 1942 are presented in more detail in table III.

TABLE III.—Tenants' plans for the 1942 crop year

	All tenants	New tenants ¹	Old tenants ¹
	Percent	Percent	Percent
Tenants planning to move in 1942.....	15	16	14
Looking for a farm to rent.....	8	12	4
Having made arrangements to rent.....	4	3	5
Having bought a farm.....	2	1	3
Looking for a farm to rent or to buy.....	1	-----	2
Tenants uncertain of their stay in 1942.....	23	28	19
Tenants planning to stay in 1942.....	62	56	67
Total number of tenants.....	157	73	84

¹ New tenants are those having moved to their present farms in 1941 or 1940; old tenants have stayed on their present farms since 1939 or longer.

Source: Rent Determination Survey, August 1941.

Not a single one of the tenants intended to quit farming in 1942. Since almost one-fourth of all tenants were uncertain of their stay, and an additional 9 percent knew they had to leave but had not been able to secure a farm yet, one-third of all the tenants were confronted in August 1941 with the possibility that they might not succeed in getting a farm for 1942—a situation which cannot fail to produce restlessness and anxiety in a substantial part of tenant families in Iowa. This will hold true even if the employment opportunities will be considerably better in 1942 than they were before due to the increasing momentum of defense production, because these tenants are farmers, want to continue farming, know no other trade, and anticipate substantial losses if they were forced to sell their stock and equipment and work on unskilled jobs or Work Projects Administration—particularly since their families greatly hamper their freedom of movement.

Note that the corresponding proportion of tenants uncertain of their 1942 stay is much higher for the new tenants (40 percent) than for the old (25 percent) who have been on their present farms for three or more years.

From 30 of the 73 new tenants, we were able to obtain some information regarding the intensity of competition for farms to rent. When they rented their present farm in 1940 or 1941, 6 of these 30 tenants reported that they knew of 6 or more other tenants wanting to get that farm, 5 reported 2 to 5 competitors, 8 reported 1, and 11 reported no direct competitors.

A few individual case histories might serve to visualize the character of tenant migration in Iowa.

Mr. A had farmed several years with his father in Pocahontas County. He wanted to start out on his own, and took over the local agency of an oil company. But soon he longed to get back into farming. A local landowner and his wife were killed in an automobile accident. Mr. A went to the administrator of the estate and told him that if there would be a change of tenants he would like to rent the farm. Two years later the farm became vacant, and Mr. A moved to that farm. By the end of his second year, he was told that a relative of the family of the estate wanted to operate the farm. He found a small 80-acre farm belonging to a tenant who operated a larger farm nearby. But even before Mr. A had moved onto the 80 acres, the owner told him that he was getting more and more embroiled with the landlord, and he had decided to move to his 80 acres himself the next year. Mr. A immediately started hunting around for a farm, and by August 1940 he had found the place he occupies now, and arranged a lease through a local businessman who managed the farm for an estate. The previous tenant had cheated the estate on a number of scores, and had a bad reputation, according to Mr. A. The neighbors, however, accused Mr. A of having offered a cash sum for the privilege of getting the farm, of "buying the lease" in local vernacular, a practice which is frowned upon and considered unfair by farmers. Mr. A denies this. In August 1941, he had the assurance from the estate manager that he could stay for the 1942 season.

Mr. B. came to Iowa as a young lad from Kentucky in 1920, and worked around as a hired farm hand until 1924. He had saved a little, and with some credit bought equipment and rented a farm. He stayed on that same place for 11 years, and everything considered, life had treated him pretty well. In 1935, he longed to see his folks down in Kentucky. He sold most of his stock and

equipment and went to his old home for an extended visit. In 1936 he came back to another farm in Pocahontas County. In September 1939 it was sold, and now trouble began. He looked around desperately, spent \$200 driving to Des Moines, Iowa Falls, Emmetsburg, Spencer. All he could spot was a poor, run-down place near Spencer, which would hardly have yielded the cost of moving. He was just ready to sign a purchase contract on a farm which really did not appeal to him either, when a merchant friend of his persuaded him to back out of the risky deal and take his chance on locating a farm for rent. Time slipped away, and Mr. B prepared to give up and sell out. Then, an old farmer in the neighborhood died, the father-in-law of a good friend of his. He learned that the old man's son was moving to that farm, and thereby vacating the farm he had rented. Mr. B immediately went to see the respective landlady, who had not yet heard that her tenant was planning to move. She knew Mr. B for some years, and promised him the farm. Her tenant, however, had figured not to cancel his lease, but to sublet the farm to his brother who also was looking desperately for a place. The landlady refused to let her tenant sublease her farm and rented it to Mr. B, who, now, after considerable agony, feels well satisfied and fairly secure in his occupancy. The previous tenant's brother, however, for all we know, may still be looking for a place to stay.

The moral: In each locality there are would-be tenants on keen lookout for vacancies, jumping at opportunities almost before they actually arise, and it may take a long series of bad and good luck before a tenant family succeeds to get settled with an appreciable sense of security. Intimate knowledge of local people, backing by some influential persons in the community, is often just as, if not more, important as farmers' experience and ability to get hold of a farm in Iowa. Farm sales, death, or retirement seem in recent years, to be the main immediate factors causing tenants to move.

It might well be, however, that expansion of employment opportunities under the defense program in the coming years will change the character of tenant mobility substantially. Farmers' sons, instead of looking for a place to rent, may move to defense industries; tenants, having asked to leave, may look for defense jobs rather than farms; and farm laborers, of course, are drawn off most readily from farm work. But indications are that only very few tenants who have farms and are permitted to stay even on a year-to-year basis are likely to migrate to defense industries.

PROGRESS OF MECHANIZATION IN IOWA, 1929-40

REPORT BY JOHN A. HOPKINS, ASSOCIATE PROFESSOR OF AGRICULTURAL ECONOMICS,
IOWA STATE COLLEGE, AMES, IOWA

The adoption of larger and faster farm implements has continued during recent years at a relatively rapid rate, though more slowly during the depression years, 1931 to 1934. The central feature of this trend has been the replacement of horses with tractors, permitting the use of larger field implements and greater speed of operation.

From 49,000 in 1929 the number of tractors rose to 58,000 in 1931, declined slightly until 1933, then increased rapidly to 124,000 in 1941, according to data collected by assessors (see table I). The assessors' records, however, tend to understate the full number, and the United States Census shows over 66,000 in April 1939 and 128,000 in April 1940. As might be expected, the largest numbers occur in the cash grain, eastern livestock, and western livestock areas, while tractors are much less common in the southern pasture area, with its rougher land and smaller crop acreage.

At the same time that tractors were being adopted rapidly by Iowa farmers an important shift in type was occurring also. About 1925 the row-crop type became available and permitted the cultivation of such crops as corn, as well as the performance of heavy seedbed preparation work. For the country as a whole the sale of row-crop tractors surpassed that of the standard, or four-wheel type, in 1928, and from that year on the new type gradually displaced the old. The change in chassis design and other improvements, such as application of the power take-off, the power lift, improvements in the lubrication system, and increased speed of operation led to greatly increased use per tractor and per farm. Thus, an Iowa study in 1936-37 found that standard tractors on 66 farms

were used for drawbar work about 200 hours per year for each 100 acres of cropland. Steel-rimmed row-crop tractors on a similar number of farms were used about 300 hours, and rubber-tired row-crop tractors about 330 drawbar hours for each 100 acres of cropland.¹ Not only did the row-crop type provide

TABLE I.—Tractors on Iowa farms according to assessors' data, January 1929 to January 1941, by type of farming areas

	State	Northeast dairy area	Eastern livestock area	Cash grain area	Western livestock area	Southern pasture area
1929.....	48,718	8,130	10,639	12,611	12,153	5,185
1930.....	55,065	9,002	11,920	14,269	14,041	5,833
1931.....	58,475	9,321	12,855	14,786	15,392	6,121
1932.....	58,166	9,485	13,042	14,458	15,234	5,947
1933.....	53,278	8,919	12,072	12,742	14,069	5,176
1934.....	54,464	9,121	12,520	13,190	14,160	5,473
1935.....	58,353	9,670	13,203	14,636	15,013	5,831
1936.....	69,835	11,514	15,809	17,864	17,614	7,034
1937.....	83,656	14,211	19,021	21,374	20,772	8,278
1938.....	99,803	17,696	22,770	25,380	24,021	9,936
1939.....	110,831	20,174	24,974	28,235	26,298	11,150
1940.....	117,833	21,746	26,217	29,877	28,129	11,864
1941.....	124,487	23,054	27,685	31,282	29,754	12,712
Percent farms with tractors, 1941.....	59	55	63	77	65	32

Number tractors in State according to U. S. Census: April 1930, 66,258; April 1940, 128,516.

power for a wider variety of farm tasks and displace more labor, but the greater use reduced the cost per horsepower-hour.

About a quarter of the tractors that had been used in 1930 were of the row-crop type, according to a 1941 survey.² As this type increased in number, the proportion rose to 51 percent in 1935 and to 80 percent in 1941. (See table II.) The shift, however, is not yet completed, and it will be several years before the older and slower tractors are all worn out and displaced by the more efficient type. Labor displacement will therefore continue for some time from this source as well as from further growth in total number of tractors.

TABLE II.—Tractors; percentage of those reported that were of row-crop type, by type of farming, 1929-41¹

[Preliminary, subject to correction]

Year	State	Northeast dairy area	Eastern livestock area	Cash grain area	Western livestock area	Southern pasture area
1929.....	18	12	18	10	35	12
1930.....	27	17	34	26	42	10
1931.....	31	18	38	28	46	15
1932.....	34	22	44	32	49	19
1933.....	39	27	47	36	53	27
1934.....	46	31	53	46	57	32
1935.....	51	38	55	53	62	37
1936.....	60	52	64	62	70	43
1937.....	68	62	72	68	75	55
1938.....	74	71	81	74	79	61
1939.....	77	74	84	75	82	65
1940.....	79	76	85	75	84	69
1941.....	80	78	86	77	86	74

¹ Based on reports from 3,138 farms.

² Iowa Agricultural Experiment Station, Research Bulletin 258, Cost and Utilization of Power and Labor on Iowa Farms, by Wylie D. Goodsell.

³ A survey of a random sample of approximately 3,000 farms was conducted in the summer of 1941 by the Work Projects Administration (project O. P. 165-2-72-285, work project 5782) in cooperation with the Agricultural Marketing Service and the Agricultural Experiment Station of Iowa State College.

TABLE III.—Estimated percentage of Iowa farms with corn pickers, 1929-41, by type of farming areas¹

[Preliminary, subject to correction]

Year	State	Northeast dairy area	Eastern livestock area	Cash grain area	Western livestock area	Southern pasture area
1929.....	2	2	2	3	4	(2)
1930.....	4	4	2	5	6	(2)
1931.....	4	4	3	6	6	(2)
1932.....	5	5	3	7	7	(2)
1933.....	5	5	4	8	7	1
1934.....	6	6	4	10	8	1
1935.....	6	6	5	10	8	1
1936.....	7	6	5	11	9	1
1937.....	8	8	7	14	9	2
1938.....	10	9	12	18	10	2
1939.....	13	12	17	22	12	2
1940.....	14	13	19	25	12	3
1941.....	15	14	20	26	12	3

¹ Based on reports from 3,138 farms.² Less than one-half of 1 percent.

Corn pickers.—The mechanical corn picker has had a greater influence on the amount of farm labor required in Iowa and on its seasonal distribution than any other implement during the past decade. This is not a new machine, but the development of a two-row machine and the application to it of the power take-off in the late 1920's started a rapid process of adoption. According to the 1941 survey, about 2 percent of Iowa farms had mechanical corn pickers in 1929. During the depression the number increased only slowly, since there was a scarcity of funds for investment in implements and abundant low-priced labor for harvesting the corn crop. By 1935 6 percent of the surveyed farms had corn pickers. But from this time until the present the increase was more rapid until mechanical pickers occurred on 15 percent of the farms in 1941.

There was a wide difference in the rate of adoption between type of farming areas. It was most rapid in the cash grain area where level land and large corn acreages make mechanical picking particularly advantageous. Here 26 percent of the farms surveyed had mechanical pickers in 1941. Next highest came the eastern livestock area with 20 percent, while these machines were found on only 3 percent of the farms in the southern pasture area. It should be noted that the rate of increase in corn pickers has apparently passed its peak, and fewer new machines were bought in 1940 and 1941 than in 1938 or 1939.

How important are these machines in reducing farm labor requirements? In the sample surveyed there were 471 corn pickers. These harvested an average of 164 acres of corn, of which 93 acres were on the home farm and 71 acres on other farms. On an average the machine saves about 3 hours per acre as compared to hand picking.

The combine.—Although the purchase of corn pickers is slowing down, that of combines continues to increase. They were found on 6 percent of the farms in 1941, as compared to 1 farm in 500 in 1933. Combines were most numerous in the cash grain and the eastern livestock areas, with 8 and 9 percent, respectively. The combine (of the size used on Iowa farms) saves an average of 3 to 4 hours per acre of grain, as compared to harvesting with a binder and threshing from the shock. The average machine in the survey was used on an average of 72 acres on the home farm, plus 106 acres on other farms. Like the corn picker, the combine affects labor requirements most in a peak season. These two machines enable the farmer to complete his harvests in shorter periods of time and with less dependence on hired labor. From the viewpoint of the hired worker, such machines affect most the demand for seasonal labor which has been employed either from the local town or from the ranks of migrant workers.

TABLE IV.—Estimated percentage of Iowa farms with combines, 1932-41, by type of farming areas¹

[Preliminary, subject to correction]

Year	State	Northeast dairy area	Eastern livestock area	Cash grain area	Western livestock area	Southern pasture area
1932.....	(?)	(?)	1	(?)	(?)	(?)
1933.....	(?)	(?)	1	(?)	(?)	(?)
1934.....	(?)	(?)	1	(?)	(?)	(?)
1935.....	(?)	(?)	1	(?)		(?)
1936.....	1	(?)	2	1	1	(?)
1937.....	1	1	2	1	2	1
1938.....	2	1	3	3	2	1
1939.....	4	2	6	4	4	2
1940.....	5	2	8	6	5	3
1941.....	6	4	9	8	5	3

¹ Based on reports from 3,138 farms.² Less than one-half of 1 percent.

Grain binders.—The importance of mechanical power extends to older types of implements as well as to such newly adopted machines as corn pickers and combines. Of the farms reporting, 25 percent had binders drawn by horse, 20 percent by tractors, and 6 percent sometimes drawn by one type of power and sometimes by the other. Since 1929 there was a decline of about a third in the number of horse-drawn binders. Part of this was offset by the increasing number of tractor-drawn machines and part of it by the adoption of combines.

The tractor binder saves about one-third of an hour per acre of grain harvested as compared to a horse-drawn machine of the same size. Consequently its effect on labor requirements is much smaller than that of the combine. But it is a striking fact that more of the farmers interviewed bought new combines in 1940 and 1941 than bought binders, although the average combine harvested six times as many acres of grain as are grown on the average farm. Indeed, the sale of binders has declined so sharply for the country as a whole that the Census Bureau failed to report binder sales at all in its 1940 bulletin on Manufacture and Sale of Farm Equipment.

Cultivators.—The general shift toward larger equipment and toward tractor implements is well exemplified by the changes in types of cultivators bought and used. Information on types of cultivators was obtained from 2,913 farms in the 1941 survey. On these farms an average of 120 one-row, horse-drawn cultivators was bought each year from 1930 to 1934 (even during the depression). In 1940 and 1941 the average number bought per year was 16. During the 1920's a shift from one-row to two-row horse-drawn cultivators was in progress, since these machines saved about two-thirds of an hour of labor each time the corn was cultivated. Purchases of these two-row machines averaged 40 per year from 1930 to 1934, equivalent in cultivating capacity to 80 one-row machines. By 1940-41 even the two-row horse-drawn cultivators were being crowded out of the picture, and purchases by farmers in our sample amounted to only 5 per year. On the other hand, two-row tractor cultivators were purchased by 30 to 40 farmers in our sample each year from 1930 to 1934. Purchases increased to over 200 per year in 1937-39 and averaged 155 per year in 1940-41. This machine saves a quarter hour per acre covered as compared to the two-row horse cultivator.

The shift to the larger cultivators is, however, far from complete. It is estimated that the average one-row horse-drawn cultivator lasts 24 years, the two-row horse cultivator 21 years, and the two-row tractor cultivator 15 years. Consequently, most of the one- and two-row horse cultivators that were on farms in 1930 are still there, though they are not all used. From 97 one-row horse cultivators in 1929 on each 100 farms studied the number declined to 69 in 1941.

TABLE V.—1-row, horse-drawn cultivators; number per 100 farms, by type of farming areas, 1929-41¹

[Preliminary, subject to correction]

	State	Northeast dairy area	Eastern livestock area	Cash grain area	Western livestock area	Southern pasture area
1929	97	69	88	75	119	117
1930	98	69	87	76	120	120
1931	96	69	86	74	117	118
1932	97	71	88	74	117	118
1933	95	70	86	72	113	116
1934	93	72	85	70	111	112
1935	89	69	84	67	105	108
1936	86	68	81	64	101	104
1937	83	68	79	62	96	100
1938	80	65	77	59	91	96
1939	77	63	75	57	86	92
1940	73	61	73	54	81	87
1941	69	60	69	51	76	83

¹ Based on reports from 2,913 farms.

It is estimated that there were 17 two-row horse cultivators per 100 farms in 1929. By 1932 this number had risen to 19; but after 1934 the wearing out of old machines more than offset new purchases, and the number declined to 15 in 1941. On the other hand, adoption of two-row tractor drawn cultivators brought a rapid increase in this type until the present time.

From 4 two-row tractor cultivators per 100 farms in 1929 the number increased to 13 in 1935. Thereafter, with a more optimistic outlook for agriculture and more available funds, purchases increased rapidly as stated above, and the number per 100 farms shot upward to 50 in 1941. The largest number, 73, occurred in the cash grain area, and the lowest was 24 in the hilly southern pasture area.

As already indicated the adoption of tractors was the most important influence on farm-labor efficiency and on farm employment in the last two decades. Its effect was not restricted to the few machines discussed but extended also to a majority of farm implements including plows, disks, mowers, and so on. Further, other and newer machines such as the pick-up hay baler and field ensilage cutter are also becoming available for adoption in the future.

One important consideration is that the adoption of larger implements and of mechanical power has affected labor requirements in peak-seasons more than in slack seasons. The corn picker, combine, pick-up hay baler, tractor cultivator, tractor-drawn plows, and other seedbed preparation equipment, are all machines that are employed during the busiest seasons. Labor requirements on livestock and on general maintenance work around the farm have been affected much less by new mechanical contrivances; and from the nature of the work to be performed, such work is less likely to be affected in the near future. Consequently, mechanization has tended to smooth out the seasonal peaks and has reduced the demand for seasonal and migrant labor to a greater extent than that for year-round farm workers.

TABLE VI.—2-row, tractor cultivators; number per 100 farms by type of farming areas, 1929-41¹

[Preliminary, subject to correction]

	State	Northeast dairy area	Eastern livestock area	Cash grain area	Western livestock area	Southern pasture area
1929	4	4	3	4	5	4
1930	5	4	4	6	8	4
1931	7	5	6	7	10	5
1932	8	6	7	9	11	6
1933	9	7	9	11	12	6
1934	11	9	12	15	13	7
1935	13	9	15	18	16	7
1936	18	14	22	26	23	9
1937	27	22	33	39	32	14
1938	35	30	44	52	38	17
1939	42	37	53	61	46	21
1940	45	40	58	68	49	22
1941	50	45	64	73	56	24

¹ Based on reports from 2,913 farms.

NATIONAL DEFENSE MIGRATION IN HARDIN COUNTY, IOWA

REPORT BY ROBERT A. THOMPSON, COUNTY CLUB AGENT, 4-H CLUBS, AND WALTER B. EYRE, COUNTY AGRICULTURAL AGENT

COOPERATIVE EXTENSION WORK IN
AGRICULTURE AND HOME ECONOMICS,
Eldora, Iowa, November 17, 1941.

There has been only a slight loss of workers to defense industries. The most severe impact has been through the selective service.

Our agricultural plant made the largest production in this year of 1941 that we have ever had. In the food-for-defense program we have been asked to make an even greater increase in food production, such as dairy, poultry, meat, and soybeans. The feeding of livestock and dairying is a skilled occupation. There is not time to materially increase the number of cows kept and the larger portion of increase will have to be made through increased efficiency. This will be in addition to the largest production per cow on record made in 1941.

Where the Selective Service Board is pinching our production is in its taking of these boys who are skilled in feeding and dairying and the operation of power machinery.

In an interview with our county selective service board today, we find they indicated there is very little in their instructions that allow them to defer single men or recently married ones, although it may mean breaking up of an entire farm business if they are taken. If our food-for-defense program is as essential as they tell us it is, and we believe that it is, it will not be possible to make the desired increase in the production of food if many of these boys are taken.

While the draining off of farm workers to defense industries has not been very noticeable, farmers have been unable to secure as much help as desired even in the slack season for nearly a year. We have seen more women working in the fields this year than for at least 7 years here in the county.

We would say that to date the selective service has not very materially reduced the capacity of the agricultural plant to produce the essential food. The situation has, however, gotten to the place where inroads will be made on efficiency if some of the boys who are skilled in feeding and power machinery operation are taken.

One thing that may not come within the study of your committee but should be mentioned: Repairs and replacement parts for farm machinery must not be curtailed if the required production of the essential foods is made.

Very truly yours,

ROBERT A. THOMPSON,
County Club Agent, 4-H Clubs.
WALTER B. EYRE,
County Agricultural Agent.

AGRICULTURE AND THE EFFECTS OF THE NATIONAL-DEFENSE PROGRAM IN STORY COUNTY, IOWA

REPORT BY ARTHUR W. CHRISTY, CHAIRMAN, STORY COUNTY AGRICULTURAL CONSERVATION COMMITTEE, NEVADA, IOWA

NATURE OF AGRICULTURE IN STORY COUNTY, IOWA

Principal crops grown in Story County are corn, oats, and soybeans. In some sections of the county a considerable acreage is devoted to sweet corn and peas for canning. The type of farming might be described as general. Very few are strictly grain farms. Practically all farmers feed some hogs, part of them feed cattle and part of them do some dairying. Some farmers feed more corn than they raise but the general practice is to have some corn to sell and market the balance through livestock.

CHANGES IN ABSENTEE OWNERSHIP OF FARMS

In 1939, 64 percent of the farms in Story County were operated by tenants. In 1941, 59 percent were operated by tenants. We have no exact figure on the proportion of land owned by townspeople and insurance companies but the majority of the land which is operated by tenants is owned by people who live in towns or by insurance companies. There has been no material increase in

the number of farms purchased by nearby businessmen. Within the last few months several farms have been purchased by interests outside of the State. These purchases are not likely to affect the proportion of tenancy in the county as the new owners seem to be inclined to handle each farm as a separate unit.

Insurance companies have sold a good many farms; the majority of them going to men who will operate them, that is; men who have been renters.

Most farmers take a rather lenient attitude toward absentee ownership. They do feel, however; that insurance companies should sell their farms as rapidly as possible.

The size of farm units has increased within the last few years. This is due largely to the increase in mechanization. The increase in the size of units has decreased the number of farms for rent. This is making it rather hard for young men to secure farms when they are ready to start farming for themselves. Absentee owners have found it rather unsatisfactory, because of the type of farming which prevails in the county, to operate their farms with hired help.

EFFECTS OF THE NATIONAL-DEFENSE PROGRAM UPON THE MECHANIZATION OF FARMS

The national-defense program has increased farm mechanization within the last year. Farm help is hard to secure. A good many of the young men are in the training camps and many others have found it more profitable to secure work in plants producing war material. This is causing considerable concern among farmers who depend upon hired help. Mechanization has been increasing steadily for several years. The defense program will very likely increase the demand for more power equipment. We do not anticipate that farm mechanization will have any material effect upon the size of the farm unit in 1942. The increase in the size of farming units was prior to the inauguration of the defense program.

STATEMENT OF DONALD R. MURPHY, EDITOR WALLACE'S FARMER AND IOWA HOMESTEAD, DES MOINES, IOWA

Only 231 farm families have been displaced in Iowa as the result of land buying for the munitions plants at Burlington and Ankeny. Most of these families will probably be helped to new locations by the Farm Security Administration. So far as Iowa is concerned, therefore, the displacement of farm families in this way is only a minor problem.

Our major problem in farm displacement started before the war and still continues. In 1940, Wallace's Farmer and Iowa Homestead made a survey of Iowa to try to find out how many farm families had been squeezed out in the last year by farm consolidations. Our conclusion was that around 2,000 farm families had been forced off the land in that one season.

The Farm Security Administration, making a somewhat similar survey, found a larger displacement. Unfortunately, data in this field is still inadequate, but the evidence available indicates that the growing size of farms, as a result of increased mechanization, is causing trouble in Iowa as elsewhere.

Iowa farm people are well aware of this situation and are troubled about it. Almost every farmer has seen his neighbor forced to move when his farm was rented to a big operator.

One survey of ours indicated what happened in the 3 years, 1936-39, to Iowa farm people who had been pushed off their farms. Where did they go? We found that 17 percent went on Works Projects Administration or relief, 20 percent got jobs in town, 37 percent went to farming elsewhere, 7 percent worked as farm hands, and 19 percent were hard to classify.

Iowa farmers recognize the disease, are inclined to think the answer is to crack down on big farms, to take drastic action toward maintaining the family-sized farm. We have asked, in opinion surveys of the Gallup type, whether farmers wanted a graduated land tax on ownership and operation. These surveys have shown that around 60 percent were in favor of such a plan, with 25 percent opposed, and the balance of 15 percent undecided.

We have asked about limiting the landlord's lien to half the crop and half the increase in livestock (a marked change from the present Iowa law) and found 66 percent in favor and only 19 percent against. We have asked about a notification date on lease renewal and found 85 percent asking for a date September 1 or earlier. The Iowa law names November 1.

Farm sentiment, so far as we can measure it, seems to recognize farm consolidation as a menace to the type of rural civilization we hope to have, and to

be strongly in favor of limiting farm size and of stabilizing the position of the tenant.

Right now we are engaged in making a survey on farm opinion as to whether the farm land banks should lend money on land to nonoperators. Though the final figures are not in, there seems to be a heavy majority against the present land-bank practice of lending to anybody who has security. This emphasizes again the tendency of Iowa farm people to want steps taken in favor of the actual operator on the land.

This is our continuing problem. The new problem, forced on us by the war situation, is that of farm labor. Wages have gone up. Men are harder to get.

Farmers, in the past, have preferred fairly young, single, hired men. Many hired a man for the rush season only. One farmer in Iowa said to me 2 years ago: "We don't hire a man all the year round any more. We just hire him for the rush months and then put him back in cold storage in the Work Projects Administration until we need him again."

Now the young, single men are off to the Army or to munition plants. There is still plenty of farm labor available in most places, but it is middle-aged, married labor.

To hire these folks means providing a house, extra milk, eggs, and meat. It also means doing some educating with men who aren't used to modern machinery.

Some farmers don't think it worth while to put up a house for a married hired man. One way to get around this is to find a house for him in the nearest village, pay him mileage, and let the hired man commute to work. There are disadvantages here, too, of course.

The family sized farm, which needs to hire little help, has an advantage these days. So does the big, efficient farm that can afford to pay high wages for the men it needs. The in-between farm, which needs about half a hired man, is having trouble.

Here is a letter to Wallace's Farmer and Iowa Homestead from an Iowa farmer who tells what he does for his hired men:

"We are hiring two married men. They each live on a separate farm. They have good houses, one of six rooms, the other a seven-room house. Both have good basements.

"The pay is \$45 a month the year around. We furnish a good cow the entire year, 2 hogs to butcher, allow them 100 old hens, and they raise 200 young chickens. These are fed on our grain.

"The hired men can raise all the garden produce and potatoes they want.

"They get all the cobs they can burn. They pay their own light bills. We also give them 35 cents per meal for all extra meals they prepare for workmen. We have never taken off a cent for days they have off. I feel these men are actually getting real wages of around \$75 a month."

And here is another letter from a farmer in the in-between class:

"If a farmer had an extra house on his farm for a married hired hand to live in, where would he get that middle-aged married man, where there is none to hire? You say a farmer may have to make a deal with a married man who lives in town and can drive back and forth. You cannot find a single or married man of any age living in our town who will go out and work on a farm.

"I had a middle-aged man last spring who couldn't learn to drive a tractor, and broke up machinery. I paid him what wages he asked. Where in 1942 will a hired man be found when there is not any now?

"Did you ever try farming without help? Just try to farm 200 acres without any help, besides having seven or eight cows to milk twice a day."

To give the other side of the argument, from the hired man's side, here is a letter from an Iowa farm woman, a hired man's wife. She writes:

"Most employers are like ours. Pay \$40 through the summer, cut to \$20 in winter. Furnish no extras except a quart of milk a day, a garden spot, and feed for a couple of dozen hens. The only fuel we get is cobs. My husband is an experienced farmer, but we can't find a better place. It is stay here or go on the county. We have three children and nice furniture enough for a five-room house."

This letter was dated November 10, and comes from central Iowa. Apparently, farm labor shortage in that area is not very great yet.

Iowa is undoubtedly going to have more trouble in the next year or two from farm-labor shortage than now. So far we have worried about it, but we haven't yet been badly hurt.

It seems certain that the farmer who gets good hired help will have to be willing to take married men of middle age, spend some effort on retaining them, provide

good quarters for the family, and be fairly generous with milk, eggs, and meat as well as with cash pay.

In the long run, the growing labor shortage will probably give the family-sized farm an advantage over farms a little larger. But it seems doubtful whether it will bother the really big operators very much right now.

Consolidation of farms is likely to continue. Farm families will continue to be squeezed out, though wartimes will give such families a better chance to earn a living elsewhere. To stop the trend away from the family-sized farm will probably require aggressive and deliberate Federal and State action, in the way of punitive taxation of big farms and tenant purchase programs.

WHAT OF THE LAND AND PEOPLE?

A SHORT STUDY IN TRENDS AMONG THE RURAL PEOPLES—BY CALVIN SCHNUCKER,
PASTOR OF THE RAMSEY REFORMED CHURCH, TITONKA, KOSSUTH COUNTY, IOWA

This part of Iowa (North Kossuth and Winnebago Counties) is, comparatively speaking only recently pioneered and settled. Many of those living now can remember the swamps and lakes which once covered half of the land. They remember when first the horsepower ditch was made and an influx of population resulted. When the "bull" ditches next drained from 2 to 4 feet of water from the land another influx of population resulted, people who were born in Germany, Holland, Sweden, and Norway. Finally, the large drainage canal and tile system was completed and the last of the land made available to colonization. A strong and splendid community resulted. There was enough land for all. Men purchased enough to settle their sons on the soil. The future looked bright and progress was recorded in home life, methods of agriculture, in community outlook, in schools and churches.

Comparative prosperity continued through the 1930's. However, during the 1920's a land boom was in progress and hit this new portion of the State of Iowa especially hard. Land commenced changing hands and with each change another \$25 per acre added to its selling price, until it was selling at prices altogether out of proportion to its productive value. Then came the crash and with it the land companies took over a great share of the land. Only 27 percent of the land was operated by owners. Thus far, the picture is an old familiar one to many parts of the United States. It was about this time (1932) that I moved into North Kossuth County to serve a rural parish.

From 1932 to the present time (November 1941) an insidious change has come about in land practices. The opportunities which the past generations considered as a part of the regular scheme of life have been taken away from youth. Young men and women who looked forward to marriage and life on a farm together are being disillusioned. The opportunities which once were their parents' no longer pertain. Marriage must be postponed much later than it ought to be because there is no land available. Land? Yes; there is sufficient land, but conditions have arisen which have made possession of land as remote as capturing Neptune in his flight across the night skies. The trends for the future are even worse than they have been. On the following pages I wish to set forth the situation and the problems and the youth reaction.

THE SITUATION

Despite the decrease in number of births noted across the country by the recent census, there are many young people living in this territory. These young people were born to farm people; they have all the traditions of the land bred in them. They know their farming in this territory; they know good-land use practices. Most of them have been educated in the small rural schools which dot this portion of the State or in small-town consolidated schools. About half of them have completed the high-school courses, and the other half dropped out somewhere between the eighth grade and senior high. These young people know the soil and love it; they understand stock and poultry. Their entire life has been tied up with agriculture and, consequently, they are not trained for any other type of work. They do not have the "go to the city" fever. Their chief hope and longing is to rent and then own a family-sized farm of their own some day, where their children may be born and raised and they themselves may grow old and die. In other words, these young people are the ones that ought to be on the farms

because they can best make a success of farming and they can best contribute to the national security by farming the land the way it ought to be farmed. But these young people have no chance to get on the land.

WHY?

1. There is no new land. Before this time each succeeding type of drainage ditch opened new land for those who came in to settle or for the young people ready to start farming. This land has all been reclaimed and almost to a square foot is now tillable and occupied. So there is no new land here to conquer.

2. There is no money. Now, I realize that this statement sounds untrue in view of present prices. However, it is more true than ever. The young man who wants to get started in farming today needs more financial backing than his father needed. Machinery and methods have completely changed. The young man who works out on a farm for \$40 a month during the summer and is idle fall, winter, and spring, hasn't much of a chance to save money to start farming. There was a time when he worked out the entire year and because the boss provided him with transportation and his immediate needs, he was able to save most of his wages. Today, few people hire help, and the young man who finds a job is just plain lucky. So, where is he to find a job which will provide him with adequate money to meet his personal needs and finance him in farming?

3. There is no old land. Again this sounds a bit out of reason—there is as much land measured in acres as ever before. Yet today there is even less land available. One of the most vicious trends of today is the increasing size of the individual farm. Years ago when a farmer owned 640 to 1,000 acres of land no one thought much of it. There was plenty of land to be had—and he usually had enough sons so that when he died each would get 160 acres. For a time it seemed as though land grabbing had ceased. Since 1934, there is a vicious trend back to that system. Again and again it has happened in this area that a farmer who had 160 or even 240 acres, bought another 160 acres; because he had the equipment to handle the land, he immediately gave notice to the tenant and the next year the second set of buildings stood empty and the farmer farmed all. There are quite a number of such empty buildings from which the renter has been removed.

Then there is the city or town dweller who is purchasing farms as an investment. In many cases he rents this land to a farmer who already has 160 acres—thus making even less land available to the young man who wishes to start farming.

4. Then there is the attitude of the land-holding companies and the private owner who refuse to rent their farms to young people because these young people would have to start on a very small scale of equipment. The owners wish their renters well equipped so that they can handle the land to get the most out of it for the owner. As a result these owners frequently rent to a farmer nearby who has his own land and is well equipped with machinery (power machinery) to handle more.

5. There is a fifth element that has entered the picture. The Government has its share of fault in the matter. Some of the policies are basically unsound. I refer to a condition which affects us here in Kossuth County. Namely, that of the Farm Security Administration defense relocation plan. Originally the governmental purchase of land held by insurance companies was excellent so far as this community was concerned. The idea of breaking up the large 400-acre farms into family-size farms was good especially since it was aimed to make available these farms to the young farmers in this community. The about face which has more recently taken place, namely that of bringing displaced farmers from the ordnance areas at Burlington and Ankeny upon these farms, is not at all good for this community. The land rightfully should first be placed into the hands of the "unlanded" young people here. They have the first right to the land. Bringing in others only displaces them and the vicious circle is increased rather than abated. I know that there are those who will plea that these displaced farmers near Burlington and Ankeny should be placed on these farms from a moral viewpoint. Their argument is fallacious because the trouble goes back a bit further. The defense plants at Ankeny and Burlington, if an intelligent group had been placing them, would have been situated on some of the most abundant marginal ground and no displacement would have been effected. Thus, the burden of placing the youth here on land here, and the displaced farmers on some of the 5,000,000 acres of land

being made available in the Tennessee Valley and also in the West, lies squarely on the shoulders of the agencies which, to a great extent, are responsible for the problem.

THE WAY OUT

I want to refer to several steps which could and ought to be taken in order to bring about a condition of equity, cooperation, and peace. Some of these ideas may be a bit drastic but they will increasingly become necessary. At times Government spokesmen have resented the indifference which many, many Americans have shown toward the present emergency defense program. However, one who has seen the Farmers Union in action during the 1932-33's, one who has watched cream trucks spilled in the ditches, and corn and hogs turned back from market, can also see why there are people who are not merely indifferent but even hostile toward the Government defense program. The first line of defense is not an Army and not a Navy as Rome, Greece, Babylonia, Persia, Egypt, and China can witness—the first line of defense is people and land.

The cynicism, the bitterness, the hostility of young people who have again and again been disillusioned ought to give all, including our great national agencies pause to consider. I have both seen and witnessed that which eventually may lead to an overthrow of Government itself unless a more sympathetic and helpful attitude and action is soon taken.

1. Adequate financing should be made available to youth starting to farm. By this I mean finances for farm equipment. This could be done and is being partially accomplished by the Farm Security Administration.

2. Security for the future should be made possible through some method of applying social security to farmers and also disability insurance of one nature or other. So that both sickness and old age will be provided for adequately. It may be necessary to socialize medicine a bit more than it is.

3. *Land must be made available.*—A. The first method that ought to be used is that which is being tried; namely, all land held by corporations should be purchased by the Government and immediately be made available in family sized farms to the "unlanded" in the neighborhood and when they have adequately been cared for, for others.

B. Large landowners who are operating all their acreage should somehow be penalized. That is a roof ought to be placed upon the number of acres a man ought to operate. In our territory, 200 acres should be positively adequate and ought to be the top limit of land to be operated by the owner. He may own more but that ought to be rented out to others, using a fair lease as renter-owner relationship. A method of taxation should be provided that would make it not too profitable to own more than 200 acres of land. (I know the figure 200 is arbitrary. It would not be enough in certain areas such as western Nebraska or even southern or northeastern Iowa.)

4. *Suitable supervision.*—I am certain that a suitable supervision of farms leased by or being sold by the Government agency to farmers would have to be worked out and abided by quite rigidly. That would be the only way to make the venture completely successful.

A WORD OF WARNING

The suggestion has been made and has already been worked out to break up the farms purchased by the Farm Security Administration in Kossuth County into from 60- to 80-acre tracts. I feel distinctly that in this territory the 80-acre tract should be the minimum at present. A smaller tract will tend toward making merely a subsistence farmer out of the renter or buyer. We are not ready in America to make peasants out of intelligent individuals. We want the young farmers and their wives to be financially able to raise children and to give those children adequate training for life. The smaller the farm the less likelihood that that will be accomplished.

On the concluding pages of this study, I have signed statements made by young couples who have been married for several years and have been trying to make a start at farming. They have no hope of getting parental assistance. It is their own honest reaction to the situations which are assailing them. These young people were picked at random. I have also included several signed statements made by young men who have been engaged for some time but have not been able to get married because there is no security ahead for them so far as they are able to see. With each of these statements, I have included my own notes concerning those quoted.

EXHIBITS TO STATEMENT OF REV. CALVIN SCHNUCKER, PASTOR OF RAMSEY
REFORMED CHURCH, KOSSUTH COUNTY, TITONKA, IOWA

INTERVIEWS BETWEEN REV. CALVIN SCHNUCKER AND MEMBERS OF HIS PARISH

C. W. BUCKELS.

Pastor's comments: Clifton Buckles and his wife have been married 6 years. They had great hopes of attaining a higher status in the farm scale. Gradually it is dawning upon them that it is not possible under the present set-up. Mrs. Buckels is a very capable woman, with various talents, and is quite well read. They are fighting bitterness with all that is in them. They still take short outings to fish and picnic—but they both fear that gradually they too will become embittered.

Interview:

C. S. Cliff, its nice to see you and Ella. It must be all of 6 years ago that I married you two. Paula looks healthy; how old is she?

C. B. Paula is 2½ years old now.

C. S. I heard that you were going to move next spring. How does that happen?

C. B. Well, you know, the man I'm working for has rented the farm he has been working. Now the Joint Stock Lank Bank of Chicago gave him orders to move next spring. So there we go too.

C. S. Oh, then you weren't working the farm for yourself?

C. B. No; I have been working as a farm laborer ever since we've been married. And I can tell you it hasn't been a cinch either. You know, when Ella and I got married we thought it would be comparatively simple to climb the ladder of farm success: Laborer—renter—owner. But it just doesn't work out that way any more.

C. S. What's the matter? Why doesn't it?

C. B. Four words tell the story: "No land," "No money," and we might add "No cooperation" especially from agencies that ought to be anxious to assist for the good of the future status of our country. Ella and I had had high hopes of obtaining one of the farms which the Farm Security Administration plans to make available. You know, Ella's dad was renting one of the large farms which the Bankers Life sold to the Farm Security Administration and which will be broken up into smaller units.

C. S. Did you inquire whether you could get hold of one of those places?

C. B. Sure, we went to Algona and inquired in Homer Hush's office. But we couldn't get any satisfaction. Now we hear that they are planning on taking even this remote possibility away from us and are going to give that chance to those people from eastern Iowa and from Ankeny.

C. S. You've been working 6 years as a farm laborer—why haven't you saved the money to equip or buy a farm yourself?

C. B. I know you're just trying to rib us. You know as well as we do that for \$40 a month for 10 months of the year, raising a family and living, nobody can save enough to buy a farm. Why, our car is a wreck and we have not been able to get enough money together to replace that with a fairly decent used one.

C. S. What do you see in the future for you?

C. B. Not much unless a different plan is adopted by our Government agencies. But there is so much unfair at present, just like I mentioned above, and farmers buying more land and displacing the present renters. Its hard but Ella and I aren't bitter as yet, although some of our friends are getting that way. We'll try getting along, but we would like a lift.

C. W. BUCKELS.

Nov. 21, 1941.

MILFORD DINGMAN.

Pastor's comments: Milford Dingman has been married 9 years, and all this time he has been a farm laborer—the lowest scale of the ladder in this community. He works as hard and as willingly as others. There is little chance for advancement for him. Both he and his wife are growing bitter, his wife especially. She has been a woman of refinement and culture, well read. She resents this inability to advance. They have been married long enough to realize that the future is none too rosy for them. They worry about the future of their son.

Interview:

C. S. Milford, I want to ask you a few questions and I want you to tell me a few things about yourself and your family and your future hopes. Tell me, how long have you and Fanny been married?

M. D. We have been married 9 years and we have a fine boy who is now 3 years old.

C. S. What have you been doing these last 9 years to make a living for your family?

M. D. I have been working as a farm laborer. You know, we have a little one- or two-room house, so much milk and eggs and usually a certain amount per month to live on.

C. S. Do you make \$600 a year?

M. D. Say, were you ever a farm laborer? We're lucky to make \$300—then we have to live off of that.

C. S. Well, why don't you rent a farm for yourself?

M. D. I have two good reasons—the first is enough—there just isn't any land to be rented here—and when a farm is open a big owner comes along and rents it and makes one big farm out of his own and the other. That leaves us out in the cold.

C. S. Why don't you buy a farm?

M. D. (with a glint in the eye). Did you ever try to raise a family, pay doctor bills, and buy a farm on \$300? The reason I don't buy a farm is because I haven't any money. My wife hasn't any money, my father didn't leave me a farm. There's no way for me to get ahold of money to buy a farm, nor even to get equipment to rent a farm.

C. S. Well, how do you feel about the whole present set-up?

M. D. There was a time when first I got married and a few years before I got married that I expected it would be fairly easy to follow the steps that the past generation took: First to work as a farm laborer, then to rent a farm for several years and finally to buy my own farm. Those were dreams—pure dreams. I haven't found life that way at all. I have worked as hard as others—we have tried and tried—but where are we? We're no further today than we were when we were first married. In fact we aren't as far today. When we were first married we had the holy hope to own our own place, now we are losing hope. That's not nice.

C. S. Do you think there is a chance for you?

M. D. What kind of a chance? If you mean to get a farm let me answer, not unless some big changes are made. Look at the big farmers who are buying more and more farms and are working these themselves—that leaves us out and puts the fellows who were on the farms off, too. I think there ought to be a law against that practice. Those big farms should be broken up. We had big hopes that the Farm Security Administration buying up the land here in Kossuth County would give us a chance at renting or buying one of the smaller farms, but now they are going to bring in outsiders and put us out entirely. I tell you it isn't fair. We're not getting a square deal. All I ask for is a chance at an 80-acre family-sized farm. Then I'd show the world. This living the way we have to is hard on me, but it's a lot harder on my wife. Then when I think of my little boy, my blood simply boils. What's going to become of him, we'd like to know? How is he ever going to have a chance? If you can do something for us, won't you do it soon? We don't want charity—all we ask for is a chance, a fair and an equal chance, with others. But so long as we haven't a chance, what can we do?

MILFORD DINGMAN.

NOVEMBER 21, 1941.

RICHARD GRAY.

Pastor's comments: Richard Gray and his wife have been married less than a year. They are very happy together—life is all ahead of them. They are now where Dingman and his wife were 9 years ago and Buckels and his wife were 6 years ago. They are fairly certain that a prosperous future awaits them and that they can easily scale the farm ladder of success. You can contrast the interviews of these three and just see the degree of happiness—gloom—and finally embittered disillusionment. Shall Richard and his wife be doomed to the same thing? They will unless * * * but that can only be answered by the proper Government agencies.

Interview:

C. S.: Richard, I've known you for almost 10 years now and I've watched you grow up with a good deal of interest. I was especially interested when you started going with Iola several years back. Both you and Iola come from the very best of farm families. I want you to tell me a little bit about yourself and what you hope to do in the future with your life. Tell me about how old you are and how long you've been married.

R. G. I'm 23 and Iola is 20. You married us last spring. Of course we want to be farmers, because we have both lived all our lives on the farm and we love farming. It's our way of life.

C. S. Tell me, what is your status on the farm at present.

R. G. Just at present I am a farm laborer. Of course, you understand that is only for the present. A few years from now we hope to be on our own farm either as a renter or as an owner.

C. S. How do you expect to get there?

R. G. I'm earning \$25 a month all the year round, we have a nice two-room house, my boss furnishes us with cream, eggs, and things like that and even supplies us with gas for our car to a limited extent. I'm going to work for him for 3 years and then he will help me get a start at renting. You know, we have to have money to buy equipment and that sort of thing; he will help us.

C. S. That's very splendid and we sincerely hope it turns out that way. Where do you expect to be able to rent a farm when the time comes?

R. G. That's just what is bothering us. We want to stay in this community where we were both raised. But there aren't any farms available here. We went down to Algona and inquired whether we couldn't get a chance on one of the new small farms which the Farm Security Administration is going to make available after the buildings have been put upon the farms. But Homer Hush couldn't promise us a thing. In fact he didn't seem to know anything about the whole business. But we read in the papers that those farms were going to be given to the dislocated farmers from Ankeny. Do you know anything about it?

C. S. Although I am a member of the Farm Security Administration board of directors, I'm afraid that I don't know much more about it than you do. But tell me what kind of farm do you want?

R. G. I want a small farm—80 to 120 acres is large enough. I don't like this idea of some people buying more and more land and working it all themselves. Something ought to be done about it. Of course, when a farmer has a large farm and also a large family of boys and expects eventually to break up his holdings as his boys need farms, I don't object to that. But so many who have small families or no families are buying the land and working for themselves and I don't think that is quite fair to the rest of us.

C. S. But you expect some day to be able to handle the situation yourself?

R. G. I hope to, if the breaks aren't against me. By breaks I mean sickness and all those other things that can happen to a young couple. Of course, you understand, if it wouldn't be for the help that my boss is offering it would be quite a problem to get started. You see, I know several young couples who had all sorts of sickness and hospital bills and that has held them down pretty much.

C. S. There is one last question that I want to ask you, Richard. You've lived here practically all your life. Do you think if those people from near Burlington and Ankeny are brought into our community that they will be able to make a go of things here?

R. G. I don't know how much different the farm practices are here and where they come from. So I can't say whether they will be able to farm as efficiently here as where they were. But I do know that it is important for them to fit into our community life. If they haven't the same community ideals and hopes which we have, then they will get to be a liability to the community. So often these people live differently than we do and that will tend to disrupt our entire community life. I know our community isn't perfect and that there are things that aren't the way they ought to be, but, taken as a whole, we have as fine a community here as there is anywhere. So I would hate to see anything happen to change it for the worse.

C. S. You have expressed something that's been in my mind some time, but I haven't ever given voice to it. Thanks a lot for your information.

(Signed) RICHARD GRAY.

JAMES RIPPENTROP.

Pastor's comments: James Rippentrop is one of the cautious young people. He has seen what has happened to many of the young couples who got married and are gradually becoming cynical as farm laborers. He doesn't want that to happen to him and his wife. So he postpones marriage, although he ought to be married and have a youngster by now. Instead, what is going to happen, he will soon be inducted into the Army. If this happens it is a grave mistake, in spite of the defense, because Jimmie is the type of young man that can really make the soil do something. What he could contribute to national defense as a farmer far surpasses anything that Jimmie can contribute as a soldier. He might as a soldier kill one mythical enemy before he gets killed himself—as a farmer he could save the lives of 22 Americans and their allies each year. But no! Because of poor agricultural policies, Jimmie is single, working as a hired hand, and will soon be in the Army.

C. S. Jim, I'd like to have you talk with me a little while. You've been courting Dorothy for almost 3 years already. And you're not so young any more. Why aren't you married?

J. R. That's rather plain talk, but I'll answer you just as bluntly. I'm not married because I want to be pretty certain that I can support my wife on a farm before I marry.

C. S. But, Jim, I've known you a good number of years and feel that you are as dependable as any of our young people and more so than most of them. I think that you can be trusted to support not only Dorothy but also any children that may be born.

J. R. It isn't that I'm not able to support her. I am willing to work as hard as anybody and I'm as able to farm as most farmers are. But the real trouble is, I can't find a farm to rent. And I don't have the money to buy a farm.

C. S. How do you know there isn't a farm to rent in this neighborhood?

J. R. How do I know? Well, I've been around looking for some and they are just not to be had. My dad tells of the days when the owner used to go to the prospective tenant and beg him to rent his farm. Today the owners almost have to get help to keep the renters away from their doors. The competition is so bad that there are renters who are out-bidding others just to be able to find a farm.

C. S. That's a new one on me. So there are actually renters who offer an owner more rent than the present tenant is paying just to be able to get a place to live.

J. R. That's right. So you see that leaves fellows like me stranded high and dry. What kind of chance have we got when we haven't enough money to start out with A-1 equipment, and the other fellow has all that and even more. We simply haven't the ghost of a chance.

C. S. What is the solution of the problem? How are farms to be made available to deserving couples like you and Dorothy?

J. R. I know of several ways that it could be done—but I doubt whether we'll ever see the day when it is done.

C. S. Such as?

J. R. Force the big landowner, whether he is an operator or an absentee owner, to break up his large acreage and give deserving young couples a chance to rent the land and even buy it if they can.

C. S. Who's going to do it? The Farmers Union or Farm Bureau?

J. R. The Government is the only agency that can do it. But they've got to do a better job of it than they are doing at present with the land the Farm Security Administration has purchased from the Bankers Life Co. and the Metropolitan. They buy it for one purpose and then instead they import other farmers to make it harder for us to get a place. But I suppose I shouldn't worry about this all. The draft board just put me in class 1-A. I really ought to be farming as a defense industry. I am exceedingly capable of that. That's where I would have been by this time if I had had the chance, but now * * *

(Signed) G. JAMES RIPPENTROP.

NOVEMBER 21, 1941.

DICK MEINDERS.

Pastor's comments: The Dick Meinders situation is an interesting one and shows what certain parents are sacrificing for their children. It is a splendid example of parental devotion. However, this is not a typical case. In the typical case, the parent is unable to do that thing. Usually the parent is one of those who, through post first World War inflation, lost his farm to the

insurance companies (drat those insurance companies) and as a consequence is unable to assist his children.

C. S. Dick, I heard that your dad bought the 80 just northeast of our church. Is that true?

D. M. That's right, we'd been dickering for it for some time and now we've got it.

C. S. But Dick, I can't see why he did that. He just bought his own farm and hasn't that completely paid for. What's he want to go into debt for so much deeper on this farm?

D. M. It's like this, Mr. Schnucker. You know the draft board put me in 4F because of some physical disabilities. Kathryn and I want to get married—and we're old enough, too. But there wasn't any land to be had. I've looked all around to find a farm. I had hoped that we could get one of the new small farms which are supposed to be planned here in our county—but these couldn't be got. I worked out for several years as you know, but that doesn't pay, one can't get a good start in life that way. So this year I was home most of the time helping dad. We decided that the best way for me to get started would be to buy a farm for me.

C. S. Did you dad increase the loan on his home farm in order that you could get this farm for you?

D. M. No; he didn't do that, exactly. However, the money which he is making on the home place and which would have reduced the loan against the home place is now being used as down payment on the farm which I shall work next year. It really isn't fair to the folks, it isn't fair to the home farm. But there wasn't any other way out.

C. S. Couldn't you have handled the situation yourself? I mean, how would it be with you if your dad wouldn't have thrown this extra effort into getting you started?

D. M. Well, I just wouldn't have got started and I wouldn't be able to become a renter. I'd probably have to be just another laborer, probably all my life.

C. S. Your dad has three more boys at home. You happen to be the oldest. What do you think is going to happen when these are ready to start out in life for themselves? Do you think Dad can continue doing for them what he is doing for you?

D. M. I don't see how he possibly can do it.

C. S. Just what is your idea? How can our young people, your friends, get started and get on land in this community?

D. M. That's a question I don't like to think about. We can't shoot the older farmer who stays on the land longer than his father did before him—that would be murder. We can't take the land away from the too big operator—that would be robbery. We can't turn the outsider who is to be shipped into our community back or direct him to other land which will be available—the Farm Security Administration with its pet experiment wouldn't like that. So your guess is as good as mine. I'm not going to worry about it too much right now, because I'm just too tickled that my personal problem has been solved. I know it isn't helping the other fellow and I'd surely like to see him get a fair deal too.

(Signed) DICK MEINDERS.

NOVEMBER 21, 1941.

JOHN MILLER.

Pastor's comments: John Miller is just in the process of disenchantment, what it will eventually mean to him and his wife if it is allowed to continue, time can only tell. One point in his favor is that he has himself a little better prepared with equipment to step into the shoes of a renter. He may have a chance to progress—but even for him, that opportunity is somewhat remote here.

C. S. John, it's not quite a year ago that I married you and Elsie. I've forgotten just how old you are; won't you tell me?

J. M. I'm 27 and Elsie is 21.

C. S. Tell me just how you are making out as a farmer, John?

J. M. I'm not really a farmer proprietor; I really hold the status of a farm laborer. I work the farm and for my share receive living quarters, eggs, some garden produce, feed, shelter, and pasture for 24 hogs and 8 milking cows.

C. S. John, that is a rather strange relationship which you have to the boss but I'm not so sure whether it isn't pretty good. That would make you get about \$60 to \$65, wouldn't it?

J. M. Oh my, no! Let's figure it out. During the year round, I might get an average of \$15 a month from my cows and I have to keep a number of my hogs for brood sows so I'll get about \$340 for the hogs I dare sell, then there is always the risk of losing them by death and also I have to pay for vaccines, etc. So that actually I am getting somewhere between \$40 and \$45 per month.

C. S. That does sound a little different. Tell me honestly, John, why you didn't rent a farm for yourself?

J. M. The chief reason for that is because there aren't any farms. You know that one farm not far from T— that was owned by the Metropolitan Insurance Co. Well, I practically had that rented. But after everything was all but arranged, the company sold it and I was out. So there went my chance at the farm.

C. S. From what you have just said, John, I take it that you could furnish the equipment to start farming?

J. M. Yes; I think I could furnish the equipment for an 80-acre farm all right. We would have to get along without some things at first, but that wouldn't be a hardship.

C. S. What are you going to do this coming year [1942]?

J. M. I wish I knew that for certain myself. I'm in a sort of bad way since the farm I had hoped to rent was sold from under me. I wish that we young farmers had a decent chance to get on small farms right here in this community. I don't like the idea of importing a bunch of farmers from central and eastern Iowa and giving them the choice farms here. What's to happen to us? It doesn't sound like good sense to me, to bring in other farmers when there are so many of us who haven't farms at the present time. We're married too and many of us have families. We ought to have the first chance in this community to make a living off the farms in this community.

(Signed) JOHN MILLER.

NOVEMBER 21, 1941.

HERMAN TAPPER.

C. S. Herman, both you and Elida were raised on farms and are products of this community. You like the farm. How old are you?

H. T. I am 27 and Elida is 21.

C. S. What have you been doing since you were married to support your wife?

H. T. I've been doing whatever I could. I have been working as a farm laborer. But that job doesn't hold out as well as they once did, so in between times I have been doing whatever I could find. Sometimes driving a truck—sometimes doing this and then again that.

C. S. Had you ever thought of renting a farm for yourself?

H. T. I not only thought to rent a farm but I tried. I kept the road to Algona dusty trying to find a farm. But the answer is always the same and that is—there just isn't any farm to be had. So as long as there isn't any land to be had, what am I to do?

C. S. I realize, Herman, that you would be able to take care of a farm and could nicely provide for your wife; had your baby lived, also for it. You're willing to work. But tell me, if land were available, could you furnish enough equipment?

H. T. I think that I could provide at least the basic equipment for an 80- or 120-acre farm. But the trouble is, where in this community shall I find the farm?

C. S. Have you any ideas on the subject yourself as to how land may be made available?

H. T. I've been playing with the idea of organizing the "unlanded" farmers and all the young couples who need land and then hounding the Government and bringing pressure to bear upon the big owner-operator to break up oversize farms, place buildings on them, and turn them over to us.

C. S. Now, that is an idea—I hope we can bring this about without using your suggestion—but if the time comes when we find that we can get action in no other way, you can count me in on the pressure group. While we are talking about these big operators, what do you think about the Farm Security Administration defense relocation bringing in displaced farmers from eastern Iowa and from Ankeny?

H. T. My first answer would be that those poor farmers have a right to find land, too. They have to make a living. But I don't think there is either rhyme or reason for bringing them up here.

C. S. Why not?

H. T. Well, bringing them here will simply displace us, and the Government will solve absolutely nothing. And why bring them here in the first place? Didn't you tell us when you got back from Nashville, Tenn., at the meeting of the youth section of the American Country Life Association that Brooks Hays had mentioned that the Government through its large irrigation schemes in the Tennessee Valley and in the West was making several million acres of land available to pioneer settlement? Well, if that is true, why is not the Government smart enough to realize that that is the place to send these dislocated farmers and leave the land here for us?

C. S. I'm not sure whether it was Brooks Hays who made that statement; I think it was, and I also think you're right in your opinions.

(Signed) HERMAN J. TAPPER.

NOVEMBER 23, 1941.

JOHN RIPPENTROP.

Pastor's comments: John Rippentrop represents the very aggressive type. He realized that he would have only the barest chance to make progress as a married farm laborer, so he has been tiding himself over by accepting a position in a neighboring small town. Neither he nor his wife want to be in town—they love the farm, and that is where they ought to be—they could make the very best of success on the farm for themselves and also for the community and Nation at large. They are hard workers, an asset to the community, and also splendid workers and supporters of the church. But they belong on the land. How will we get them there?

C. S. John, I remember when speaking to you some time ago that you still have your heart set upon living on a farm. I want you to answer a few questions for me. Tell me, about how old are you and Della? [Della is John's wife.]

J. R. I'm 27, and Della is 24. We've been married about 2 years. We always lived on a farm until we were married.

C. S. That's right; both you and Della were born and raised on a farm. Tell me what are you doing for a living now? Aren't you on the farm any more?

J. R. No; we don't live on a farm any more. After we got married we both moved into town. My work is that of a gasoline-service-station attendant. I work for a farmers' cooperative oil company.

C. S. That's strange. Why aren't you and Della on a farm where people such as you with the splendid rural background which you have belong?

J. R. The answer to that one is quite easy. We're not on a farm because there isn't any land for rent. I know that there is plenty of land, but too much of it is held by too few who want to work it all for themselves and not give the rest of us a chance. Of course, there is another answer. When Della and I got married we didn't have the money to purchase the equipment with which to start farming.

C. S. Would you like to get on a farm now, after living in town?

J. R. I most certainly would. And Della at first just hated to live in town but she's getting accustomed to it now. I suppose if we went out on a farm now after living in town so long we would have to get used to some things that we might not like at first.

C. S. Why don't you stay in town and be satisfied with your work? You're fairly good at it.

J. R. What future is there in it for me to be an attendant in this station in this town? I'll be just where I am 10 years from now. As it is we have just enough to keep ourselves going. We pay house rent and buy most of our foods. We're not at all well off. And anyway, I was raised on the farm and would like to continue living on the farm.

C. S. Just what would you like to have offered you on the farm?

J. R. I would need some help in getting farm equipment. Then I would like a place that would assure me of a degree of permanency so far as tenure is concerned. I want a place that I can call home—not have to move every year. If the Government could only get ahold of some of these big farms, break them up into smaller units, put buildings on them and give us a chance. That would be what I should like.

C. S. I take it you don't approve of too large land holdings?

J. R. I most certainly do not. We have altogether too much of that sort of thing here in this neighborhood.

(Signed) JOHN S. RIPPENTROP.

NOVEMBER 21, 1941.

STATEMENT OF RAY F. ANDERSON, FARM EDITOR, CEDAR RAPIDS GAZETTE, CEDAR RAPIDS, IOWA

NOVEMBER 25, 1911.

A. Corn, soybeans, and oats are the main grain crops produced in the Cedar Rapids trade territory. Alfalfa, soybeans, and mixed clover and timothy are the main forage crops, exclusive of corn and sorghums for ensilage. The bulk of the farm income in this region is derived from sales of livestock and livestock products, namely, hogs, beef cattle, butterfat, eggs, and poultry. Relatively little grain is sold as such except in a limited area approximately 25 miles west of Cedar Rapids, where considerable corn is shelled for the market.

B. The lowest rate of tenancy of any county in Iowa is in Dubuque County. The general average throughout this area is slightly more than 51 percent owner operated, by which I mean the owners have a substantial equity, and slightly less than 49 percent tenant operated. Institutional ownership is small except in the cases of State institutions and insurance companies. The State institutions operate large farms in connection with hospitals, penitentiaries, etc. Insurance companies have sold the bulk of their land in the better soil areas and now their holdings in this section of Iowa are mainly in the north and in the south districts. The trend has been rapid toward mechanization of eastern Iowa farms in recent years. We have many farms in this area now without horses. We have farms, also, with two or three or more tractors and two or three or more trucks and automobiles. The trend toward mechanization has been one factor influencing a decided trend toward larger farm units. One man today can tend and produce three times as many acres of corn with power machinery as he could a few years back with horse machinery.

C. Impact of national-defense program: The Army has taken more men from farm jobs than any other agency. There has been the usual influx of young men from the farms to city jobs but this, in my opinion, has not been much greater than ordinary. A few of the skilled dairy herdsmen have been attracted to similar jobs on millionaire farms in the eastern part of the United States. Wages of farm hands have more than doubled in the last year, and this, of course, is due to higher wages in other occupations plus the drain from draftees. I doubt if farmers in this region will be seriously hard put for labor next spring because of the increased use of mechanical aids. By that I mean they will get by somehow, although there will be an outcry about the shortage of labor.

Regarding the status of the hired man, he is less a member of the family today than several years back. In many cases the farmer who employs a hand also furnishes a house for him to live in. Herds have been enlarged commensurate with the increase in the size of farm units and also because of the pressure from the United States Department of Agriculture defense board.

Some of the defense programs have brought serious dislocations in this area. For instance, the extraordinary demand for cheese has resulted in a price for butterfat 20 to 25 cents higher if the butterfat is in milk intended for cheese making compared with the price creameries are able to pay for butterfat from which to make butter. Relatively small cooperative creameries abound in northeastern Iowa and right now the management of these creameries is faced with an acute problem of increased income so that they may pay a price for butterfat in line with the price paid by cheese factories and operators of evaporating plants. The head of the dairy manufacturing department at Iowa State College recently suggested that the installation of skim-milk driers would be more advisable in northeastern Iowa than the installation of equipment for making cheese inasmuch as he predicted that such equipment would be less likely than cheese equipment to become obsolete at the end of the war.

D. The Farm Security Administration has exerted much influence toward the "family-sized farm" idea in this district, but the economic pressure is toward continued large-sized farm units, power operators, more mechanization, and general specialization of crop and livestock production.

Hoping this answers your questions, I am

Sincerely,

STATE-FEDERAL DIVISION OF AGRICULTURAL STATISTICS,

Lincoln, Nebr., December 22, 1941.

HAROLD G. TIPTON,

*Field Investigator, House Committee**Investigating National Defense Migration,**Omaha, Nebr.*

DEAR MR. TIPTON: I regret that I did not have the opportunity to give you the information in time for your hearing at Omaha November 25.

As stated, I have part in the work of the Subcommittee on Farm Labor. We are making a State-wide survey through Agricultural Adjustment Administration precinct committeemen in the near future so as to learn what the situation was in 1941 and what is expected in 1942. In addition, the Agricultural Statistics Division will collect statistics monthly on farm labor. It is possible also that we might use Agricultural Adjustment Administration precinct committeemen for any urgent special inquiry on farm labor needs. As you probably know, this Division has collected information on farm labor supply and demand and farm wages quarterly and has a monthly inquiry on persons employed, both family labor and hired labor.

We are extremely short of help but we are going to get some help and expect the cooperation of some of the other offices and we believe that we will be able to furnish information as to farm labor needs to the Placement Service of the State and Federal Employment service here in time for them to do the best they can in meeting the farm labor requirements. We are anticipating a considerable shortage and through the State farm defense board in cooperation with the other agencies, are doing all we can to suggest that farmers buy repairs for their farm machinery now or at the earliest possible date, and to place their orders for labor-saving machinery, as there is likely to be a shortage and it is doubtful if the orders can be filled if farmers wait too long. We feel that this is one way to counteract the expected shortage of farm labor.

Very truly yours,

A. E. ANDERSON,

*Senior Agricultural Statistician.*STATEMENT BY HOMER H. HUSH,¹ ALGONA, IOWA

The national-defense program is causing a shift of population from the farms to the towns and cities. Farmers are being pushed and pulled off the land, and the present favorable farm conditions, caused by the same defense program, should blind no one to the operation of these powerful forces and the social and economic problems which will surely follow the defense effort.

The push is direct and sudden. Where defense plants are established in rural areas the farmers are forced to leave their homes within a few months time. The pull is in the attraction of farm workers to defense plants which creates an apparent scarcity of farm labor thereby inducing operators to buy more big machinery with the tendency toward even further enlargement of farms.

Let us consider first the problem of dislocation by the Government purchases of land for ammunition factories. There are two such areas in Iowa. At Burlington, 23,000 acres of farm land was purchased for a shell-loading plant. Near Des Moines, 2,445 acres has been purchased on which will be located a small arms-ammunition factory. All of the land in these 2 areas, totaling 25,445 acres, had been used for agricultural purposes. The 231 farm families who lived on the land were forced to vacate their homes during the crop season of 1941.

The seriousness of the displacement of 231 families in Iowa lies in the fact that Iowa already had more farmers than there are farms. Mechanization of agriculture had filled the small towns and cities of Iowa with thousands of families who are still farmers by choice and training. These families are now competing with town and city labor. Within the past few years a new tractor outfit in the hands of an adjoining owner or operator made their services unnecessary and their home just so much surplus equipment.

¹The writer was born on a farm, spent 27 years operating a farm in southwest Iowa, was a member of the Iowa House of Representatives, the Iowa Senate, assistant secretary of agriculture of the State of Iowa, newspaper publisher, and now defense relocation supervisor under the Farm Security Administration for the State of Iowa.

Many of these families still have a part or all of their farm homes, and are seeking an opportunity to get back on the land. Every county has the Farm Security Administration, county agents, and real-estate agents, and the pleas of these dislocated farmers and their wives, often offering the opportunity to rent a farm, earn their living, and raise their children in the open country as they had planned.

The following figures taken from the Census of Agriculture of the sixteenth census, published in 1940, shows the tendency toward larger farming units and fewer farms in Iowa and explains why farm families were unable to get farms even before the defense dislocation.

	1935	1940	Percentage change
Total number of farms	221,986	213,318	3.9 decrease.
Average size of farms (acres)	154.8	160.1	3.4 increase.

Even more striking is the tendency for the larger farms to increase in number while smaller farms are decreasing in number, as indicated by the following figures from the same source.

	1935	1940	Percentages (1940 versus 1935)	
			Increase	Decrease
20 to 49 acre farms	13,813	12,003	.....	13.1
50 to 99 acre farms	34,285	32,146	.....	6.2
100 to 174 acre farms	84,917	82,393	.....	2.9
175 to 259 acre farms	42,342	41,452	.....	2.1
260 to 499 acre farms	25,619	26,119	1.9	.....
500 to 999 acre farms	2,047	2,382	1.6	.....
1,000 acres and over	151	201	22.1	.....

The table above tells the story. With the normal increase in population, it is inevitable that there should be a great shortage of farms to rent in Iowa. Some estimates have run as high as 6,000 families crowded off or moving to other States last March 1. In this situation the addition of 231 families from the areas taken over for ammunition factories becomes a serious problem. While some of these families will have means to buy or lease farms in other areas, they will, in each case, displace some other farm family to be thrown into the intense competition for land on which to make a living in the State of Iowa.

The second influence by which farmers are being pulled off the land is through employment offered in the defense industries. The result is an apparent farm-labor scarcity which in turn causes farm operators to buy more machinery and again enlarge their operation. It has the effect of stimulating the trend toward mechanization and larger farms which has been going on for a number of years.

Both of these influences work toward the same ultimate result, which is the crowding out of the family sized farm and the permanent dislocation of thousands of families whose training is that of agricultural producers. While the purchase of land for defense industries adds directly to this group of what might be called unemployed farmers, the attraction of employment in defense industries, by causing greater mechanization, makes the position of these dispossessed families more or less hopeless. They will have the choice of remaining off the land, or, perhaps, of going to the status of hired laborers.

This is a serious situation. The effect on American rural life is not pleasant to contemplate. Heretofore it has been our boast that the young ambitious man could start as a farm laborer and by hard work advance himself to the status of a tenant and then become an owner. One step in this ladder to success appears about to be eliminated.

The defense program is increasing the speed of the trend toward larger farms which had already been going on for several years. The final result will be a small group of large landowners and large operators who will either subrent to small farmers or employ them on a wage basis. The great middle class of farm families will have been liquidated. In such a situation the class conflict of industrial centers will inevitably appear in rural America.

Some of the reasons that a trend has already set in toward ownership and point to the fact that many farms by insurance companies to farmers within the past few years. The destruction of the deed record book in any county recorder's office would destroy this pleasant illusion. While it is true that farms have been sold, the public record shows that a large percent of the deals are sales contracts, whereas in the new owner has paid from 10 to 20 percent down with the contract calling for a deed when one-third of the purchase price is paid. These "shoestring" purchases do not prove a permanent trend toward ownership.

The answer to the problem is to reestablish the middle-class farmers who have been operating moderate-sized farms and prevent their being forced off the land permanently or required to enter the status of hired laborers. The large number of former tenants who are now holding on to all or part of their equipment in the hope of getting back on the farm are entirely justified in resisting the descent to the status of agricultural laborers, in my judgment. We should support them in their resistance and reestablish, if possible, the conditions where it is possible for the young man to start out as a farm laborer, become a tenant, and finally own a family-sized farm or operate on long tenure.

One way this can be done is to purchase large tracts of land and subdivide them into family-sized farms. We must actually create more farm homes in Iowa.

The Iowa Defense Relocation Corporation is doing that now. During this year 10,078 acres of good land has been purchased in the counties of Kossuth, Palo Alto, and Wright. These farms average about 340 acres in size, the total number of families on the land being 30. It is proposed to subdivide the farms into units approximately 80 acres in size, thus increasing the families on the land by a ratio of 4 to 1 and finding homes for 95 additional families.

It is proposed that the new family-sized farms shall be under the supervision of the Farm Security Administration. The farmers who live on the land will be selected from groups in the following order. First, those who now live on the land will be given an opportunity to remain in the home in which they now live if they wish to adjust their operations to the family-sized unit. Second, those families which were displaced by the establishment of the ammunition factories at Burlington and Des Moines. In this group secondary displacements will be given the same consideration as those families actually living in the areas. And the third group will include any worthy farmer who has been crowded off the land or is unable to find a farm to rent.

This project is, of course, entirely inadequate to meet the need. Homes on the present acreage will be provided for 95 additional families, whereas 231 families will be directly displaced in the 2 defense areas. However, the project, if given proper support, may demonstrate the practicability of family-sized farms and start a new trend in Iowa agriculture.

If this project is successful it does not necessarily mean that the Government must buy large units in all parts of the State and subdivide them. If success is proved individuals may carry on. That is, if farmers can see there is more security on a small farm operated by family labor than on a large unit with its accompanying risks of operation they might seek the smaller units voluntarily.

Therefore, it is vitally important that the defense relocation project be developed at once. Delay may destroy the public favor which the project now enjoys. The land has already been purchased, but without buildings it can have no effect on this problem, which will be pressing hard the moment the defense effort stops or is reduced and the soldiers return from their service in the armed forces. In this the Congress and defense authorities are the only ones that can help.

SUMMARY

It is my belief that defense migration in Iowa is having the effect of intensifying the problems related to mechanization in agriculture. It is increasing the number of families who have farm training but are not able to find farms to rent through the retirement of land formerly used for agricultural purposes. It is stimulating the use of machinery because of labor difficulties, and will eventually cause large operators to absorb still more farms into their present units.

It is my conviction that this double-barreled assault, unintended, but none the less real, will cause social and economic ills that may take on a violent nature when the defense effort subsides unless something is done about it now.

It is my present thought that the effort now should be toward the support and establishment of family-sized farm units with such supervision and financial aid as may be necessary. At the present the defense relocation project should

be given support in its efforts to relieve the present dislocated families from defense areas, and provide a pattern for the establishment of family-sized units as a contribution toward a permanent solution. If time proves the need of further action it should be taken. Corrective and preventive measures will be far cheaper in the long run than measures found necessary to solve the land problem in the chronic stages it was permitted to reach in Ireland and many other countries.

National defense and the preservation of a successful democracy depend absolutely on a healthy rural life with opportunity and justice for all. Let us not in the name of defending ourselves from enemies without, neglect doing the things that are necessary to defend our way of life from evils within.

The CHAIRMAN. We shall now hear Mr. Hawley.

TESTIMONY OF FRED HAWLEY, CHAIRMAN, IOWA FARM TENANCY COMMITTEE OF 1938, LAURENS, IOWA

The CHAIRMAN. Mr. Arnold will interrogate you, Mr. Hawley.

Mr. ARNOLD. State your name and address for the record.

Mr. HAWLEY. F. K. Hawley, Laurens, Pocahontas County, Iowa.

Mr. ARNOLD. Will you tell us something about your background, Mr. Hawley?

Mr. HAWLEY. Well, gentlemen, to make it plain, my father and mother lost their home in the panic of '78 in northern New York. They joined the army of the unemployed and drifted westward. They had seven children. In 1879 they settled on a farm that I now own. They paid \$400 for the half section.

As you know, Pocahontas County was the wettest county in Iowa, and our farm was practically all slough except for 15 acres. Ten years later my father died and my mother was left with 10 children to support.

In the first place, I would like to tell you that I am just a farmer. I am not an officeholder, nor do I seek office. But in the 61 years that I have lived there, I have seen things happen to the ownership of the land and I assure you I am keenly interested in where we go from here.

Ours was the third house in the township. The nearest neighbor was 5 miles away. The post office was 18 miles away. The house was 12 by 14 feet. We were the third family in the township. I lived there when every man owned his home, and I live there today when about 58 percent of the farmers are homeless. It is in almost the exact center of the cash corn area of the United States.

Pocahontas County is one of the high-producing counties in Iowa. It has been drained and is very fertile. In 61 years we have never had a crop failure. We have had two short crops, and notwithstanding those conditions, we have about 58 percent tenancies.

I served on the President's Tenancy Committee. I was chairman of the State farm tenancy committee. I spent my time on the tenant-purchase program until last July 1, and I should know something about it.

I believe that the earth is big enough for all people, and it is the duty of our Government to make the earth's surface and its natural resources available to the people of this Nation. I only hope to leave to my grandchildren better living conditions than I have had. I don't want them to go through what I went through to own my home and have it paid for. I bought the old home. There were 10 children in my mother's family. I had to mortgage it for every dollar I could get so that the other 9 could get their money. It took my wife and me 35 years to pay for it, and we got the job done after the World War,

when hogs were \$23 a hundred. That is the first time I ever saw my abstract. That, I think, gentlemen, is my background.

Mr. ARNOLD. You still own the 320 acres?

Mr. HAWLEY. Yes, sir.

Mr. ARNOLD. What did you pay for it?

Mr. HAWLEY. \$25 an acre.

Mr. ARNOLD. Around \$8,000?

Mr. HAWLEY. Yes, sir.

Mr. ARNOLD. What positions have you held with reference to farm problems?

Mr. HAWLEY. I was chairman of the Iowa farm tenancy committee of 1938, and a member of the President's Farm Tenancy Committee of 1937.

Mr. ARNOLD. You stress the high percentage of farm tenancy in Iowa. Is it your opinion that the trend has been intensified by the defense program, or has it decreased since the defense program started?

Mr. HAWLEY. I think perhaps it has decreased a little, but I don't think the defense program has had anything to do with it. I think the action of the Commissioner of Insurance, Mr. Fisher, when he authorized the sale of the farms held by insurance firms in Iowa, had more to do with it than any other one action.

EFFECT OF FEDERAL FARM PROGRAM

Mr. ARNOLD. Did the Federal farm program help you out?

Mr. HAWLEY. It surely did. If it hadn't been for the farm program, we couldn't have bought any of it.

Mr. ARNOLD. It helped reduce tenancy, by helping tenants to buy farms on time payments?

Mr. HAWLEY. The farm program has enabled several people of my acquaintance to buy farms.

Mr. ARNOLD. And when you say the Government owes it to the people to make it easier for them to acquire land, you have in mind something like the program we have at the present time?

Mr. HAWLEY. Yes. Might I make a statement for the record on farm tenancy?

Mr. ARNOLD. Go right ahead; and in that statement, tell us of the changes that have been taking place in your neighborhood in the past 20 years.

DECREASE IN FARM TENANCY

Mr. HAWLEY. In 1900 there was 1 county in Iowa that had 50-percent tenancy. In 1910 there were 7 such counties. In 1920 there were 27. In 1930 there were 42. And in 1935 there were 57 counties that exceeded 50-percent tenancy, out of the 99 counties in the State.

In my own county, I am sure a few farms have been bought. In my township we have about 62-percent tenancy.

To illustrate, a neighbor of mine owned his home. He had a boy of marriageable age, and he wanted to farm, and the boy wanted to farm. He mortgaged the home place, and made the first payment on the farm for the boy. When the crash came, with the loss of farm income, he lost both farms.

Another person—I don't care to have these names go into the record—a very fine old German, came out there and bought a section of land. He had four boys. Each boy got a quarter-section. When the old man passed away the boys had to mortgage their farms

to pay the girls their share. They could not pay the mortgage and every one of them lost his home except one. He didn't, and the reason he didn't was that he married a woman who had \$20,000 cash.

Mr. CURTIS. Is that one of the solutions you are suggesting?

Mr. HAWLEY. Well, your colleague asked me what has been happening to us farmers; sir, I am telling him.

The other man—I would like to mention his name, but I won't—a wonderful character, and wonderful community man, a man of the soil, had three boys. He had a half-section of land, and was a cattle feeder. When those boys grew up, they wanted to farm, too. So the old man mortgaged the farm and made the first payment on three quarters for the boys, because he wanted to keep his place, too.

Mr. CURTIS. When did he buy the extra land?

Mr. HAWLEY. He bought the land before the war. I would say, about 1916. And when the crash came, he lost not only the three quarters, but the home place as well. Today he is living with one of his girls by the side of the road, making hamburgers for the passersby.

LOW NET INCOME

Another man in my immediate neighborhood had his farm paid for. His father died, and all the creditors wanted their money. He thought he would be able to mortgage his farm and pay off these people, because he had a fifth interest in his father's farm, and it wasn't mortgaged. When the crash came, he lost his inheritance, and he lost his home in my township.

I think, gentlemen, that the reason for all this tragedy was this: 10-cent eggs and 15-cent oats, and 10-cent corn and \$2 hogs—prices like those, combined with costs of \$180 for a manure spreader and \$265 for a binder. Those were some of the reasons why these men lost their homes. They had no purchasing power commensurate with their operating expenses.

Another thing that has been conducive to this change has been our tax system. I am speaking of Iowa. As our tax system works out, whenever we improve a farm we are penalized. If we build a house or a barn or a crib, up goes the valuation, and we are taxed more for it. Here is a man who has a quarter section. He, perhaps, lives in California or somewhere else, and the only thing he is interested in is the annual cash income. Now, the neighbor will rent that farm and give him just as much rent as though he maintained a farm unit.

So here is what happens: In many, many cases—seven around the town of Laurens—the houses have been moved off the farms and into towns, where they are rented. And the farmer rents his farm to the neighbor, keeps away from any farm upkeep, lowers his taxes, and is perfectly satisfied with present conditions. Personally, I would like to see the adoption of a system which would penalize a man if he didn't keep up a set of buildings and a home on a farm unit. But we operate in the reverse.

Mr. ARNOLD. In Iowa do you have a sales tax?

Mr. HAWLEY. Oh, yes.

Mr. ARNOLD. The land doesn't pay all the tax there?

Mr. HAWLEY. No; I guess not.

Mr. ARNOLD. I think the committee is interested in knowing about farm tenancy specifically. The information you have given us has been very enlightening. We have mentioned some factors that have contributed to the insecurity of the farmer. Can you think of any others?

Mr. HAWLEY. I think I have mentioned the principal factors that have led to the insecurity of the farmers.

Mr. ARNOLD. Would you tell us what you think should be done to remedy the situation, as you see it?

TENANT PURCHASE PROGRAM

Mr. HAWLEY. Yes, sir. I believe that man's dependence upon the earth is fundamental, and the proper application of those natural resources to society is the foundation for the remedy. Let me illustrate: When tenant purchase was proposed in Iowa, it was a new deal, and we hesitated and wondered what would happen. And here is what took place: The appropriation by Congress was so small, as you are well aware, that we couldn't buy but a few farms in Iowa. In the past 3 years we have bought 476.

Mr. ARNOLD. That would be only two or three of the counties?

Mr. HAWLEY. We didn't have all the counties in the program. Those that had been in 2 years got more than those that were in 1 year. In opening up these counties, it was shocking to see the hundreds of people who made application for tenant purchase. We were only able to buy 1 farm for each 35 applicants. On July 12, 1941, out of the 476 tenant-purchase farms, not 1 of them was behind in interest, taxes, or amortization payments.

I feel this way about it: If the Government of the United States can come to Iowa or any other State and take an area of land to build a munition plant—which I think is necessary—then it could also come into Iowa and take all corporate and alien-owned land, and redistribute it to the farm-minded young people of that State, in the interest of public welfare. And if we would take the land of Iowa and divide it up into family-sized units, we can take care of all our people, and a lot of you fellows, too—people from California and all other parts of the country. We have got a job for them all.

But please let me say this: I don't believe it is right to go into the Treasury of the United States to get a dime of the money, because it isn't necessary. There is plenty of money in this country to finance all these homes. All I would ever expect to ask would be that the Government underwrite or insure these purchases, just as it does the H. O. L. C., and let private money and corporation money be invested in these homes, and then sell them to these people on a variable payment plan, meaning that a portion of the annual income from that unit would be paid on the purchase price. I can't help but believe, gentlemen, that our young people are more than anxious to have homes of their own, and security. All we have to do is to make the resources of this country available to them. I think then that agriculture can do its part in absorbing, after this World War, those who will come back to us from the various parts of the United States.

BANKHEAD-JONES FARM TENANCY ACT

Mr. CURTIS. Mr. Hawley, I think you have made a very fine statement. I especially want to comment on what you said about the United States going into that program. One of the difficulties of the Bankhead-Jones Farm Tenancy Act is that that is the only way it is done.

Mr. HAWLEY. Yes, sir.

Mr. CURTIS. And if Congress doubled that appropriation, we still wouldn't keep up with the R. F. C. foreclosures?

Mr. HAWLEY. No, sir; you would not.

Mr. CURTIS. I am very much in accord with your idea that we should work out some equitable scheme that would make it unnecessary for Congress to make a cash appropriation in order to carry on this program.

Do you feel that the Federal land-bank policy of reselling land should be improved upon?

Mr. HAWLEY. I feel that the Federal land bank is in the position of most long-term agencies. They, naturally, like to sell for profit. If you can make arrangements whereby the Federal land bank would sell their land through the Bankhead-Jones set-up, then I would say "yes." I want to make myself clear on that. One of the great evils of farming in Iowa and all over the Middle West is this enlargement of farm units. When we are under the Bankhead-Jones set-up, that is all stopped. You farm the place you buy, and that is all. You can't rent any outside land, and, secondly, you are helped. Would you let me tell you a story?

Mr. CURTIS. I think we have time.

Mr. HAWLEY. It happens to be a true one. Over in Fayette County I went around to visit some of these tenant-purchased farms and came across a shocking thing. When we drove in, we knew before we got there that it was a 66-acre tract, and 20 acres of it wasn't fit for anything but pasture. And as we drove in there, a woman walked out of the house, barefoot, with as happy a face as you would see in Hollywood; also a little girl 8 years old:

I thought it was peculiar. She didn't act backward at all. I found that she was the purchaser's wife. Her husband had been in the World War. He got gassed over there, and formed the acquaintance of this girl from Alsace-Lorraine, and after he had been home for 4 years, she came over and they were married. He has very poor health and I doubt if he will live more than a year or two. But she knew the value of a home, and she made this little 66 acres yield an income of \$31.13 an acre in the past year. She told me: "If we could only have these prices for 2 more years, we will have our home paid for."

I speak of that only as an example. I have visited many such people, and they are all so appreciative of being given an opportunity to have a home.

Mr. OSMERS. Mr. Hawley, in your previous testimony you mentioned the H. O. L. C. You are familiar with the operations of the F. H. A., by which the construction of new homes is financed by private capital?

Mr. HAWLEY. That is what I was referring to.

Mr. OSMERS. In my territory we have the largest F. H. A. building program in the entire country, and I don't see any reason why that same principle can't be applied to farms as well as new suburban and city homes. In other words, the banks and other agencies interested in financing will advance the money to buy the farm and certain portions of that loan will be guaranteed by the Federal Government, but not a penny will come out of the Federal Treasury. They will all pay a little percentage into a pool, as you do in F. H. A., so if you have a sudden drought in one part of the State, the other part of the agricultural economy will carry the program over the rough spot.

INCREASE IN FARM PRICES

Mr. ARNOLD. Do you think we should continue to buy farms on this Jones-Bankhead plan if farms are advancing in price in your area?

Mr. HAWLEY. I talked this over with a man who had to do with the sale of many farms recently. He has sold many, many farms in the last 2 years. He said that he thinks that the figures justified the statement that land has gone up in Iowa in the last year about 4 percent.

Mr. OSMERS. And it is still rising, Mr. Hawley?

Mr. HAWLEY. I think it is.

Mr. ARNOLD. That is not enough of a rise then to cause us to curtail the tenant-purchase plan in Iowa.

This committee was before the Director of the Budget last week, advocating that sufficient appropriations be made for that purpose, and the Director said that from his knowledge of many areas of the country, land had advanced until it was no longer a buyer's market. He said appropriations should be reduced. I argued that I knew many areas where farms could be purchased advantageously, and that that practice should be continued and concentrated in those areas, if there are certain parts where a buyer's market has not developed.

Mr. HAWLEY. I think you are absolutely right, and what you say applies to Iowa.

Mr. ARNOLD. It is applicable to many sections of Illinois where I live. Perhaps not the northern part, but other parts. Commissioned bank receivers and insurance companies still have farms, and are willing to dispose of them at fairly favorable prices for the buyers. Is that true here?

Mr. HAWLEY. Yes, sir.

Mr. CURTIS. We want to thank you. You have been a most valuable witness, and we appreciate your attendance here.

Mr. HAWLEY. May I say one more thing?

Mr. CURTIS. Surely.

Mr. HAWLEY. I had a little experience when the boys came home after the World War. They are coming home after this war, too.

Mr. OSMERS. We hope a lot of them will.

DECREASE IN MARKET PRICES

Mr. HAWLEY. An English boy came to work for me, and went over to war. When he came back, he came right straight to my place. I had a good man and didn't need him, but I kept him just the same. He didn't get back until June 1919. That fall he said: "Fred, I would like to farm, and I can rent that 120 acres over there. There is a barn on it. How can I be financed?" I said, "Take what you want here and go to it, and pay for it when you get the money." He did. In the summer of 1920 he was a farmer. He had a nice bunch of hogs, and he had to have some corn. He came over to my place to get some corn. The day that he came to get the corn I said, "When you have shucked your corn, put it in the crib and that will be all right." He took 140 bushels. The day he took it, it was worth \$2.23 a bushel. When the fall came, I told him he could pay me back in 1921. So in 1921 he brought the corn over one day, and the day that he put that corn in my crib it was worth 21 cents a bushel.

Had I been a financier and sold him that corn for \$2.23, it would have taken his entire crop to pay for those three loads of corn. That is what has ruined agriculture in the past. And I think these boys are coming home again, and if I owe them anything, I owe them an opportunity when they come home. They shouldn't be turned out in

the cold. The boys I know are fairminded boys. They like to have a home and a wife and family, like other human beings, and I leave it to you, if you don't think it would be right to make it possible, when they do come home, for them to find security. It is a Government job, and I wish you success.

Mr. CURTIS. Thank you very much.

Is Mr. Jay J. Newlin here?

TESTIMONY OF JAY J. NEWLIN, FORMER DIRECTOR, FARM BUREAU FEDERATION, JOHNSTON, WEBSTER TOWNSHIP, POLK COUNTY, IOWA

Mr. CURTIS. Will you please give your name to the reporter?

Mr. NEWLIN. Jay J. Newlin.

Mr. CURTIS. Where do you live?

Mr. NEWLIN. Webster Township, Polk County, Iowa.

Mr. CURTIS. What is your business or occupation.

Mr. NEWLIN. Hybrid Corn Co., growing hybrid corn, operating 1,100 acres of land.

Mr. CURTIS. How much of your lifetime have you spent in agriculture?

Mr. NEWLIN. I taught a while. The rest of the time I have been on the land.

Mr. CURTIS. How old are you?

Mr. NEWLIN. 46—no; 56. I just took off 10 years, like the girls.

Mr. CURTIS. How do you pronounce the name of the plant being built near Des Moines?

Mr. NEWLIN. Ankeny.

Mr. CURTIS. What kind of a plant is being built there?

Mr. NEWLIN. A United States ordnance plant for manufacturing shells for the Army.

Mr. CURTIS. Where is that, in reference to Des Moines?

Mr. NEWLIN. That is north of Des Moines, about 2 or 3 miles from the city limits. Des Moines is in Polk County.

Mr. CURTIS. How much farm land does the project take up?

Mr. NEWLIN. The ordnance plant about 2,400 acres, and the rifle range, I think, is about 1,400, if I remember correctly. The whole project, including these, takes up 4,500, they say.

Mr. CURTIS. And your average farm is about a quarter section?

Mr. NEWLIN. The average is 157 acres, and in Polk County it would be a little smaller, because of 15-acre tracts in around Des Moines that are called farms.

Mr. CURTIS. Do you hold any position in the Farm Bureau Federation?

Mr. NEWLIN. Not at the present time. I was director in Polk County for 10 years and vice president for 2 years.

Mr. CURTIS. When this defense plant was undertaken, did the Farm Bureau create a committee to help the farmer get adjusted?

Mr. NEWLIN. They did.

Mr. CURTIS. Mr. Newlin, I have gone over the report of the farmers' committee. The committee will include this material in the record.

Mr. NEWLIN. Thank you.

REPORT OF FARMERS' COMMITTEE OF THE POLK COUNTY FARM BUREAU RELATIVE TO THE ACQUISITION OF LAND IN THE ANKENY ORDNANCE PLANT AREA

PREFACE

With the announcement of the Government in the local Des Moines papers about June 1 of the establishment of a small arms ordnance plant and rifle range at Ankeny, the farmers and landowners in that area began to call at the county agricultural agent's office, Farm Security, Agricultural Adjustment Administration, and other offices to secure available information on the procedure to be established by the Government in taking over this tract of land.

For the purpose of getting out information as quickly as possible the county agent suggested that all farmers in the area affected hold a meeting and select a chairman so that information could be quickly carried out to the farmers and residents of this area. At the first meeting of this group Mr. Robert Moeckly was selected by the group to act as their chairman.

Mr. Moeckly was a tenant operating a 120-acre farm that belonged to Mrs. Jennie E. Harvey. Mrs. Harvey is Mr. Moeckly's mother-in-law. Mr. Moeckly was, and is at the present time, a member of the county Agricultural Adjustment Administration committee and as a committeeman has had experience in dealing with farmers and has access to considerable information as to the productivity of the farms of the various operators in this area. He has himself farmed in this area 27 years. About the first thing that the group did when they met with Mr. Moeckly was to request that a farmers' committee be appointed of men outside the ordnance plant area itself and of men who had had wide experience in values and men whose integrity and fairness would be unquestioned.

In order to secure such a committee Mr. Moeckly contacted Mr. Arthur J. Lehman, president of the Polk County Farm Bureau, an organization of 770 members in Polk County and the only farm organization in the county. He requested that Mr. Lehman appoint such a committee to assist the farmers in the ordnance plant especially with valuations, appraisals, etc. Mr. Lehman brought this matter to the attention of his county farm bureau board of directors and as a result a committee was appointed.

MELVILLE A. HARVEY.

The chairman, Melville A. Harvey, who is a tenant-operator, lives 2 miles north and one-half mile east of Ankeny. Mr. Harvey has operated this farm for 32 years and is widely acquainted in this area. He has always been a leader in this community.

At the present time he is treasurer of the Polk County Farm Bureau, a member of the Ankeny school board, and is township assessor in Crocker township where most of the ordnance plant is located. He has served as a member of the township Agricultural Adjustment Administration committee and has done considerable custom farm work such as operating a corn picker. Mr. Harvey could well be considered an authority on the land values in that community since for so long a time he has been intimate with not only the assessed valuation of the property but the actual productive capacity of the various farms in the area. The appointment of Mr. Harvey to this committee by the Farm Bureau met with the universal approval by the farmers and tenants affected in this area.

C. G. YARN.

Mr. Yarn owns and operates a farm located $1\frac{1}{2}$ miles south of the Ankeny plant area. He has operated this farm for 25 years, has been very active in various community enterprises and is personally acquainted with the majority of people in the area and enjoys their confidence. He is a past president of the Polk County Farm Bureau and at the present time is a director in the Iowa Farm Bureau Federation. At the present time he is also the rural chairman of the Polk County Red Cross.

J. J. NEWLIN.

Mr. J. J. Newlin is vice president and general farm manager of the Pioneer Hybrid Corn Co., this particular farm being the home farm of Vice President Henry A. Wallace, this county being the home county of Mr. Wallace. Mr. Newlin is a former vice president of the Polk County Farm Bureau and has been recognized for a long time as a man of unquestioned honesty and integrity, as

well as a man thoroughly familiar with land values and a student of good farming in the county.

This committee was entrusted with the problem of developing plans so that the owner-operators and tenants of this area would receive fair consideration in the prospective transfer of the two tracts of land involved in the establishment of this ordnance plant.

The ordnance plant area itself comprises an irregular shaped piece of land approximately 2,400 acres lying just south of the little town of Ankeny and just north of the city of Des Moines. Another tract of land was purchased for use as a rifle range.

A rough break-down of the two tracts is as follows:

Ordnance plant area.—Two thousand four hundred and forty-five acres embracing 16 farms of 40 acres or more occupied by 16 families of whom 9 were tenants and 7 owner-operators in addition to 40 small acreages occupied by owner families, most of whom were employed in the city of Des Moines.

Rifle range area.—One thousand nine hundred and forty acres embracing 30 farms occupied by 15 families of whom 3 were tenants and 13 owner-operators, together with certain tracts field rented by operators living outside the area.

Type of farming.—The 4,400 acres involved in both tracts represented a highly diversified farming area with probably the major emphasis on dairying because of its proximity to Des Moines dairy market. In the area the majority of the operators are livestock farmers, nearly all the operators milking a few dairy cows, raising hogs, poultry and sheep, and a few feeding beef cattle. The principal problems involved are—

1. Negotiations and acceptance of a satisfactory sale price.
2. Conserving as much of the crops and unexpended capital as possible.
3. Relocation of families on other tracts.
4. Fair price to tenant for cost of moving.

With these major objectives in mind the committee conducted a very exhaustive survey and rendered very valuable assistance to both tenant and owner-operator with the sole thought of arriving at a fair and equitable solution for all concerned.

HERMAN M. HAYES,
County Agricultural Agent.

REPORT OF FARMERS' COMMITTEE

[Preliminary report of the first meeting of Federal agencies held in Des Moines in July and narrative of the work done and problems encountered by the committee appointed by the Farm Bureau to assist owners, tenants, and operators in their negotiations with the United States Government]

Mr. J. J. Hughes, then director of the Des Moines Office of Government Reports, called a meeting of the representatives of all Federal agencies to clarify the procedure involved in the acquisition of the Ankeny ordnance plant area on July 11. Mr. C. G. Yarn, member of the Farm Bureau committee, was invited to and sat in at this meeting. Mr. Bailey Webber, a representative of the United States district attorney's office, which handled the preliminary legal steps necessary for the Government to acquire the land involved, explained to this group the procedure to be followed in dealing with individuals landowners and operators. Several statements were made by Mr. Webber, which formed the basis of this committee's action in proceeding to assist owners, tenants, and operators.

1. Title to the land involved was effective as of July 7 (excluding rifle range).
2. Settlement of claims would be on the basis of direct negotiations by representatives of the War Department.
3. Competent Government appraisers, he said, would establish values of property and remuneration.
4. The Government would deal directly with landowners; compensation to tenants would only be recognized in valuation paid to landowners. Such compensations to tenants would involve value of crops not harvested, loss of lease, loss of income, etc.
5. Settlement would be effected on a speedy basis upon agreement between the negotiator and the seller; payments would come through very quickly, usually, he estimated, in 10-day periods.

6. In event a settlement could not be effected immediately or expeditiously the next step would be appointment of a United States marshal appraisal committee, and the marshal's office was even then considering the appointment of such a committee.

7. In event the marshal's appraisal committee's decisions were questioned, operators would still have recourse to the United States district court.

Complete proceedings of this meeting are on file in Washington, as a report was sent in by Mr. Hughes.

The first thing that the committee did, having received this information and transmitted this information to those affected in the Ankeny area, was to make their services available at no cost to the owners and operators of farm land in this area. Upon the request of anyone in this area the committee visited the farm and prepared an appraisal report, which they were willing to back up in testimony in court if necessary to assist the owners or operators in securing a fair negotiated price. The committee then contacted the negotiators who were sent out to this area and offered their services and their cooperation in effecting speedy settlements. This offer, however, never did receive any consideration from the negotiators sent to handle this project.

In establishing the appraisals the committee included the following items:

1. Placing a value on the crops.
2. The value of loss of lease.
3. Moving expense.
4. Since the tenure on all farms in Iowa is on a basis of March 1 to March 1, a value was set on additional expense in family living necessitated by renting homes and loss of income that would have been earned if the operators had been left undisturbed.

With this background of information in mind, it is now intended to proceed with the case history on a number of the farmers in this project.

First, let's consider the case of Roe Anderson.

Instance No. 1.

Mr. Anderson is a man 52 years of age, handicapped by the fact that he is almost deaf. He and his wife operated a 290-acre farm owned by Mr. S. M. Morris. There are two children, both of whom are grown, married, and living elsewhere. Because of Mr. Anderson's age and his physical handicap he would find it very difficult to obtain employment in any other line than which he is engaged. He has operated this farm for 11 years as a stock-share partnership. The farm was a well-improved farm, modern in every respect, with the farm barns, granaries, etc. located on the west side of the road outside of the ordnance-plant area. Ninety acres of rough pasture were on this side of the road, 200 acres were on the east side of the road in the ordnance-plant area. This 200-acre tract is as good land as there is available anywhere in Iowa. Every foot of it is in cultivation. Located on this side of the road and on this tract was a new modern home.

Mr. Anderson was a dairy farmer, milking a large herd of purebred Jersey cattle. He had spent years in assembling this herd and building up to their present productive capacity. He was a member of a Dairy Herd Improvement Association, and his cows were all high producers. Because of the location of his farm he had a good dairy market. He is a good dairyman and a good farm operator paying particular attention to his crop rotations and such things as are recognized as essential to maintaining a farm in a high state of productivity.

Our committee placed a value of \$5,687 on the losses for which Mr. Anderson should receive remuneration. This included 78 acres of corn, 15 acres of soybeans, 10 acres of alfalfa, 40 acres of red clover, 5 acres of sorgo and silage, his garden and truck patch, building improvements which he had contributed to the farm, the loss of his lease which had continued for 11 years and undoubtedly would have continued as long as Mr. Anderson desired to operate the farm, at least that is what Mr. Morris told the committee, and included loss incurred in the sale of his herd of cattle and loss in monthly income from the period July to March 1. We would like to point out that Mr. Anderson's share of income from the sale of dairy products on this farm alone amounted to \$400 per month.

The negotiators first offered Mr. Morris \$35,000 for the 200 acres of land. Included in this offer would be remuneration for Mr. Anderson. They made this offer on August 15, 6 weeks after they started negotiations. On August 25

they made Mr. Morris another offer of \$40,000. On September 4, they made another offer of \$50,000. They had increased their offers over a 3 weeks' period \$15,000. It is interesting to note that the September 4 offer included an offer of \$5,000 to Mr. Anderson which was the recommendation of this committee in the first place.

Mr. Anderson and Mr. Morris accepted the \$50,000 offer which, in our opinion, was only a fair settlement of this claim, as the 2.0 acres involved were worth \$200 per acre, in our opinion, and it had a new \$6,000 house on it. Mr. Morris and Mr. Anderson, however, have recently been told that this agreed-upon offer will now have to be reconsidered and the negotiators are back to where they started. They have not received one penny of remuneration to date.

Instance No. 2 (Robert Moeckly).

At the request of Mr. Moeckly the committee visited his farm. In the first place, we might state that Mr. Moeckly is 49 years of age. There are four in the family, and he operated this farm as a tenant renting from Mrs. Harvey. He employed a married man, Manfred Love, age 40 years, who lived on the farm and operated it by the month and was paid by the month by Mr. Moeckly. Our committee placed a value of \$5,109 as a fair remuneration for Mr. Moeckly. This included the value of his corn, soybeans, alfalfa, pasture, and included the cost of moving 1,500 bushels of sealed corn. This is a 120-acre farm. The principal income from this farm is from livestock, including dairying and hogs raised and fed on the farm.

The first offer made by the negotiators to Mrs. Harvey, the owner, which included damages to Mr. Moeckly, was \$115 per acre, made on August 5. The second offer made September 15 was \$175 per acre, and the third offer made November 5 was \$150. This is a rather typical example of the progress made by the negotiators. No settlement has been reached, and nothing has been received in the way of remuneration by either the owner or operator. Meanwhile, he was forced to release his hired man and sell or move his livestock.

Instance No. 3 (Milo Stall).

Now, let's consider the situation of Mr. Milo Stall. Mr. Stall operates a 120-acre farm owned by Rolfe Wagner, a Des Moines banker. He also operated 107 acres of land located outside the ordnance-plant area, the land being an unimproved tract with no buildings or fences on it. Mr. Stall is 35 years of age, has four children, ages 14, 12, 8, and 20 months.

The committee thought that Mr. Stall was entitled to remuneration totaling \$5,645. Mr. Stall was forced to move 2,000 bushels of sealed corn that he hoped to sell sometime to advantage. He had built temporary cribs at his own expense to hold this corn and had made numerous improvements around the farm at his own expense to handle his growing livestock enterprise. He was particularly handicapped due to the fact that he was forced to move off and was operating another tract of land that had no facilities whatever for handling this stock. However, he would need the equipment to harvest the crop on this tract, and he would need to be relatively close to it to harvest these crops.

Mr. Stall was advised by the committee to dispose of his livestock, but he felt that he wanted to hold his breeding stock together and maintain his operations due to the fact that he was able to rent another farm on which he would gain possession March 1. He has endeavored to hold his livestock and equipment together and moved over on this other tract of land. He is living at the present time in a hog house and is handling his livestock outdoors. A large number of pigs and hogs are suffering from lack of shelter, many of which will die. He is milking his dairy cows outside in spite of the fact that this fall has been a record for rainfall and unseasonably bad weather.

To date he has had no offer whatever from the negotiators and is in very desperate circumstances. (See attached statement.)

Instance No. 4 (Alva Dann).

Mr. Alva Dann is an owner-operator on 80 acres just at the edge of the city limits of Aukeny. Forty acres of this 80 is in the ordnance-plant area, 40 acres are outside. All of his buildings were located on the 40 acres in the area. Since Mr. Dann was an owner-operator, 65 years old, and was in a position where he expected to retire, this committee was not called upon to make any appraisals. However, it is interesting to note some of the circumstances involved in this case.

Those in charge of the development of the ordnance plant area were making their preparations in rather feverish hurry, and one of the first steps they took was to start out apparently without any aim or program in destroying crops.

During this confusion period they destroyed 10 acres of Mr. Dann's corn but made the mistake of cutting it off of the 40 acres that was not in the ordnance-plant area.

This created such a furor not only by Mr. Dann but by other citizens in the community that the negotiators hastily reached a settlement with Mr. Dann, purchasing the 40 acres of land and remunerating him for the corn destroyed, paying him \$11,700 for this 40 acres of land. They paid him \$40 an acre for the corn and \$50 for the fence they had destroyed. All the buildings on Mr. Dann's place could very easily have been moved across the fence on the other land; however, the military authorities in charge of plant construction knocked these buildings down and burned them, in spite of the fact that Mr. Dann would have been glad to have had them moved on the other land.

Instance No. 5 (Alof Pearson).

Mr. Alof Pearson is 60 years of age, has three children at home and owns and operates an 80-acre farm which has belonged to the family for quite a number of years. It is the home place of his mother-in-law. This 80-acre farm adjoins the Dann farm just described. It is very similar to that farm in every respect. The buildings, however, are not as good in repair but are adequate for Mr. Pearson's needs. Mr. Pearson has always been a frugal, hard-working individual.

The progress of the negotiations in this case is very interesting, particularly as related by Mr. Pearson. Mr. Pearson expected a settlement similar to that which was received by Mr. Dann. He thought that he should have about \$17,000 for this 80 acres which would include his crops and other consideration. This farm lays very close to the town of Ankeny and is highly desirable from that standpoint.

As the negotiations progressed the negotiators originally offered Mr. Pearson about \$8,000 but ultimately reached a settlement for approximately double that amount, but later on this settlement was again rejected. We would like to quote Mr. Pearson. Immediately after the burning of Mr. Dann's buildings, the negotiator called Mr. Pearson into his office and asked him what he thought he should have. Mr. Pearson said, "I will be satisfied with about the way you settled with Dann." The negotiator explained to Mr. Pearson that his buildings were not painted and in as good repair as Mr. Dann's. Mr. Pearson replied, "Yes, but the land is as good and my buildings will burn just as good as Dann's."

We could go ahead and relate the experiences encountered by other owners and operators in the area and the instances with which this committee has come in contact with the negotiators on every farm in the area, but we feel that we have picked out some typical instances as to how the negotiations have proceeded. At present, negotiations are in progress in the rifle-range area but we do not have, as yet, very much data as to how they are proceeding.

All the operators in the ordnance-plant area proper were dispossessed in the middle of the summer, were left without any place to go, and were forced to liquidate and move to town or in with relatives to carry on until March 1, when they could again reenter the farming business.

In general we could say that the farmers in this area are very little farther along with negotiating with the Government than they were at the beginning after nearly 4 months. On the other hand, the owners of acreages have gotten along much better. Our problems have not been very much concerned with these folks as they easily could move into other places and they were not dependent to any great extent on their places for living expenses.

There is on file at the farm bureau office signed statements by several parties who have entered into negotiations with the appraisers.

COMMITTEE'S REPORT AND RECOMMENDATIONS

In the light of the above findings the committee is forced to some rather definite conclusions and wishes to make certain pertinent recommendations. As a preface to these recommendations the committee recognizes the fact that in the acquisition of land and the development of the area for defense purposes there existed a state of emergency which called for immediate action and a great many short cuts in order to accomplish the end in as brief a time as possible. It is fully recognized that in situations like these sacrifices must be made, and each and everyone is willing to make sacrifices; therefore, the sole purpose of the recommendations is to suggest things that it is believed could be put into practice in future cases which would alleviate much of the inequality and inconvenience occasioned.

At the present time 4 months have elapsed since acquisition of the farm land by the Government. During this time the committee feels that there has been much confusion and misunderstanding to the extent that few definite cash settlements have been made beyond those concerned with small acreages.

During this time much of the growing crop has been wasted or inefficiently handled. Considerable areas of good farm land have been stripped of growing crops and improvements, and are at this writing still not utilized for buildings or ordnance improvements.

It is felt that such management as has been evidenced tends toward friction and dissatisfaction and engenders the state of mind which is to be deplored in such times as these.

Many minor situations have arisen in this period of time which contribute to the over-all confusion, not the least of these is the feeling that the appraisals carried on have not been such as would inspire the confidence and satisfaction of the vendors. It is felt, therefore, that it is pertinent at this time that the committee give some recommendations which, if followed, would remove a great many of these misunderstandings.

1. It is recommended that in the acquisition of property, careful planning should be entered into which would take into consideration the repercussions which would result in forcing an individual operator to discontinue the only means of livelihood he has at the present time and the only means for which he, by virtue of life's work, is particularly fitted. Such planning should embody progressive steps which would make available for use areas as are needed for first construction, leaving for later consideration areas not so pressing upon which the crops might mature and be harvested in an orderly manner.

2. We recommend that much or virtually all of this planning and appraisal work on both the real and personal property should be handled by the local Defense Boards of the United States Department of Agriculture, inasmuch as such Boards are appointed by the Secretary of Agriculture because of their representation of different agencies and activities who are experienced in this line of work.

It is almost needless to add that competent appraisers and evaluators from such agencies as the Farm Credit Administration, Federal Land Bank, Farm Security Administration, the county farm bureau, and other related agricultural agencies would be in position to render fair and competent service, and at the same time enjoy the respect of the property owners in their final settlement.

3. We further recommend that in the disposition of crops and small personal effects which would comprise for both landlord and tenant such items as temporary buildings, fences, and other minor improvements, an entirely separate set-up be effected. For this we would suggest that a management or salvage corporation be created which could be handled entirely by local, competent individuals, making available for those who seriously need it, food and fiber grown or growing on the place, which would eliminate the waste and confusion which has been apparent and which is particularly distressing in a time when a definite drive is on for increased production. This would also render a return to the Government on such property salvaged and sold many times what is now being received.

The management corporation could function in various ways, and it would be our suggestion that in this connection a definite set-up for the salvage should be established. Such salvage corporation would function in the orderly disposal of crops, either by auction or by transfer to parties who would have use for such at a price based upon present market values less the additional cost of removal. Such corporation could handle the harvesting and removal of crops and could make available for use such small buildings as are needed on many farms, and would eliminate the destruction and loss which has been very apparent during the past few months.

It is felt that a corporation like this might well be headed by an activity such as the Farm Security Administration. As a pertinent example it might be pointed out that at the present time the above-named agency has in Iowa acquired several thousand acres of land for relocation purposes designed especially to accommodate farmers who are forced off the land taken by the Government for ordnance uses. At the present time these farms are, to a large extent, units of such size as would support several families.

In this, we understand that it is the intention of this relocation corporation to break these large farms down to family sized units as quickly as adequate buildings can be erected. This is extremely difficult to do this year for many

reasons—such as labor shortages, lack of materials, and delay occasioned in planning and executing building contracts to the extent that just at this time when there is an apparent need for the relocation of a number of families very few can be accommodated.

We feel, therefore, that such management corporation or salvage corporation, whichever term is to be used, could effectively make available for such farms a great many small buildings which have up to this time been destroyed or burned. This not only would lend itself to buildings but would also apply to fences, heavy machinery, and even shade trees and ornamental fruit and nursery stock, not to mention again crops, especially such as could be adequately stored for future use.

There are also a few large available farms which might have been purchased within a few miles of the plant and converted in the above-suggested manner which could be made to support many families now without means or places to move or any visible future occupation.

4. In the area covered by this report there has existed for many years a particular harmony between the tenant and landlord. In most instances it has been found that tenants and landlords have operated harmoniously for periods of from 5 to 20 years on a mutual agreement basis with no written lease except the original. It should also be noted that the Iowa law states that in the event there is no cancellation in writing by or before November 1, the original lease shall automatically continue from year to year.

The committee recommends, therefore, that no steps for the acquiring of property which especially involves growing crops, termination of income, and forced cost of moving, shall be entered into without the recognition or the establishment of the legality of oral leases. The committee feels that the word of honor in situations like this is far more important than written leases on prescribed forms. On the other hand, definite recognition should be made of interest of tenant on absentee-owner farms where the renter planned to stay for some time.

5. In the appraisal of property leading up to acquisition by the Government, much confusion has resulted because of the inequality of values placed in many instances upon adjoining properties. In that connection we feel that due consideration should be given to the purpose for which the acquired real estate would be used, as often a piece of property that is very desirable as a whole, though perhaps somewhat reduced in agricultural value from the standpoint of production, will serve as a basis or location for some of the most important buildings in an ordnance unit, and for that reason should not be drastically depreciated in the appraisal.

6. The appraisal of the farm property, as previously stated, should be made by competent individuals experienced in that line of work, and values should be based or established taking into consideration the present productive capacity and as secondary consideration the location, the desirability of a home and the curtailment of income by the individual. If we keep in mind that much progress has been made agriculturally in improved methods, improved livestock, better management, soil conservation, the use of hybrid seed and money management to mention but a few, we are forced to the conclusion that past history of farm income, sales, etc., should not enter materially in arriving at a fair value of real estate or chattels.

7. The committee wishes to commend the attitude of all other agencies in their willingness to cooperate in order that the transition from farm land to ordnance plant be carried out as expeditiously as possible with the least inconvenience and loss to all concerned.

Especial mention should be made of the efforts of the Farm Security Administration in their attempts to secure additional land through the defense relocation projects upon which dispossessed farmers might go. The existing areas under this project would at the present time serve practically all of the farmers removed from the ordnance plant and rifle range areas were it not for the fact that these recently acquired tracts at the present time have insufficient buildings and improvements to accommodate the farmers as of March 1.

In this connection we are more seriously concerned with the plight of the tenant and owner-operator who has but a small equity in the farm. In most instances these people have a definite interest which might be called "location value" in that it is their home, it is where their children have been raised, and it is where all of their community ties exist. They feel that in addition to proper remuneration for the real estate, crops, and chattels, some consideration be made for the intangibles above mentioned.

As an evidence of the thought in this community the committee would like to call attention to a recent resolution by the Polk County Farm Bureau, an organization which represents over 700 farmers and reflects the sound thinking of the rural people in this community, to wit:

"Whereas Polk County now has the following tracts of land devoted to public purposes, all of which are being used for the public welfare, extending beyond Polk County boundaries: Municipal Airport, 640 acres; Fort Des Moines Army Post, 320 acres; Camp Dodge, 2,600 acres; Mitchellville Training School, 175 acres; Clive Prison Farm, 890 acres; Des Moines Ordnance Plant, 2,400 acres; rifle range, 1,940 acres. All of these land tracts are exempt from taxation.

"In view of the above, therefore, we believe that the Polk County farmer is contributing more than his share to the public welfare and that future planning should distribute more of such projects in various areas of Iowa.

"We also wish to point out that the present ordnance plant being constructed is creating innumerable problems in transportation involving our present farm-to-market road; the impact is being felt on the farms of the county relative to the securing of adequate farm labor; the rural-school facilities surrounding this county are also feeling the impact; the law enforcement agencies of the county are being pressed to handle additional volume caused by such a plant. Therefore, we move that the United States Government avoid establishment of additional defense industries in this already overburdened community, and that other communities in Iowa be considered in future expansion plans of the defense agencies of the country.

"We wish to take issue with the efforts of the chamber of commerce, the mayor of Des Moines, and other groups in their efforts to bring further defense agencies here."

The committee recognizes the stress under which all parties concerned are operating, and it has tried to weigh advantages and disadvantages fairly in this consideration. It must be recognized in this report, therefore, that many human factors are involved which ought not to be ignored, and that at the present time changes which have been mentioned above are becoming effective which should be conducive to ultimate satisfactory outcome in most instances.

Submitted by Farmers' Committee.

MELVILLE A. HARVEY.
C. G. YARN.
J. J. NEWLIN.

TESTIMONY OF J. J. NEWLIN—Resumed

Mr. CURTIS. What sort of complaints did your Farm Bureau Committee bear when you went out to deal with these farmers who were displaced by defense plants?

Mr. NEWLIN. There wasn't much complaint until early in July. Our report was dated as of July 7. A little later the projects were taking form and the appraiser was there. I might say he was inadequately prepared for the job before him. He didn't know farm land or farmers of that section of Iowa.

JUSTICE OF FARMER'S COMPLAINTS

Mr. CURTIS. How did your committee feel about the complaints that were made?

Mr. NEWLIN. We thought they were just.

Mr. CURTIS. Without going into too much detail, what were the complaints? Did they involve prices or where the farmers should go, or what?

Mr. NEWLIN. They involved prices, but in the first place, as mentioned here before, no consideration was given to the substantial loss of income that the farmer incurred during the period from July 7 to the 1st of March, even if he was lucky enough to have some place to go. No consideration was given to the value of his crop, other than those crops which have a cash value on the market, such as second-growth meadow and pasture, or to the use of building, home, and garden. At least, these matters were not given the consideration we thought they should have received.

Mr. CURTIS. In Nebraska the farmers planted fall wheat and took out ordinary crop insurance, and they feel that they have lost their crop and that the Crop Insurance Corporation owes them something. Do you get crop insurance?

Mr. NEWLIN. We did not have that problem exactly. As it developed, the wheat was harvested even after the project was to take over. Another question that came up was: Does the Department of Agriculture, through the Agricultural Adjustment Administration grants for the soil-building program, make payments to the tenant, or does the War Department, taking over the land, give that particular money to the tenant or the landlord?

Mr. CURTIS. Do you mean certain benefits the farmers have earned for past practices?

Mr. NEWLIN. That is what I mean, and they should be entitled to it for this year.

Mr. CURTIS. And it is your contention that if the Department of Agriculture does not pay those benefits, that is one of the claims destroyed by the War Department, and that they have a cash value that should be reimbursable?

Mr. NEWLIN. Certainly.

Mr. CURTIS. I want you to take a few minutes to give us any recommendations that you should like to make in respect to the future procedure in land acquisition by the Government for defense purposes.

ORAL LEASES

Mr. NEWLIN. The area that was taken for the Ankeny ordnance base probably was as good a section of farm land as could be found in the Corn Belt. It was not for sale. In this section we had tenants who had lived on those farms from 5 to 20 years, with no particular additions and no written leases. We were told flatly that that kind of lease had no value in the settlement of the tenant.

As a recommendation, we think that such an unwritten understanding should have value. If two men are gentlemen and honest enough so their word is as good as their bond, it should have legal value. One man is supposed to have \$4,000 for a 3-year lease. Another man, for a 20-year lease. According to the present arrangement, he gets nothing.

Mr. CURTIS. That was an oral lease?

Mr. NEWLIN. Yes.

Mr. CURTIS. What does the law say about that?

Mr. NEWLIN. The oral lease stands continuously until changed, to November 1 or the beginning of next year, but when the landlord and tenant understand each other, that is all right. One man had his first lease in 1906 and has had none since.

LAND APPRAISALS

Another recommendation that I should make is that local people who are familiar with farm practices and know the value of the land and the income of the farmer, should be considered first for an appraisal committee. That can be done through various governmental agencies, if you like, but certainly somebody familiar with the territory should have something to say about it.

Further, we should consider what we are going to do with those people from the 7th of July to the 1st of March, and what after that. There are 27 pieces of land within the Ankeny ordnance

plant. Most of these have houses on them. Seven of these cases have been settled to date; the rest have not.

A part of the difficulty is due to the inadequate information of the appraiser, and part of it is due to the fact that the Government is not accepting the title to this land for various reasons. One of the latter is the question of retention of mineral rights. It would seem to me that the United States Government is in better shape to clear the titles than the tenant and landlord, who are reduced in income and who have no power to settle anyway. It would seem that a proper settlement of fair valuation, with some understanding as to where these people might go and what they might do afterward, should be included in the procedures. I can understand why the War Department wants the Ankeny plant where it is, because of the transportation, water, and drainage. Yet we will never get that 2,400 acres for agriculture, and it took many lifetimes to make that piece of land as workable as it was.

Mr. ARNOLD. But you say it is a good location for the plant?

Mr. NEWLIN. Yes. But 2,400 acres is dumped in the junkpot. I like that soil.

I have now covered the principal points, I think, in connection with the displacement of these people—fair valuation, immediate settlement, and some assistance where they might go afterward.

Mr. CURTIS. And some recognition of the value of the leasehold to the tenant.

Mr. NEWLIN. I think some of those tenants will get practically nothing for their leases.

Mr. CURTIS. Are not the growing crops an element there?

Mr. NEWLIN. They were. One man filled his silo, which was outside the area taken over for ordnance plant. Another man, whose corn was inside that area, was not allowed to cut it, so he didn't get to fill his silo at all. As a result, he has to sell his dairy herd.

Mr. CURTIS. Whom did they pay for the crop?

PAYMENTS MADE TO LANDLORD

Mr. NEWLIN. The regulations came from the Comptroller General's office, and they deal only with the landlord. The landlord must settle with the tenant. It is recommended from the Comptroller General's office that they deal only with that one man, and he settles pretty much as he likes. And the tenant may or may not get his due.

Mr. CURTIS. Maybe they need a lawyer in the Comptroller General's office to advise them as to the rights of tenants.

The CHAIRMAN. They do require the landlord to produce a statement from the tenant showing that he has been settled with—a disclaimer of any interest—before they will pay the landlord.

Mr. NEWLIN. If I had been a tenant and had that kind of a lease, I would not want to give it up in the middle of July and take \$40 for my corn. I would not want to do it.

Mr. CURTIS. We thank you very much.

TESTIMONY OF MILO STALL, ANKENY, POLK COUNTY, IOWA

The CHAIRMAN. Will you please give your full name and address to the reporter?

Mr. STALL. Milo Stall, Ankeny, Polk County, Iowa.

The CHAIRMAN. We have your statement, Mr. Stall, and it will be placed in our record at this point with others concerning the situation at Ankeny.

(The statement is as follows:)

STATEMENT BY MILO STALL, TENANT, ON THE ANKENY PURCHASE, NOVEMBER 12, 1941

I'm 35 years old, my wife is 36 and we have a family of four children—two girls and two boys, the oldest of whom is 14 years. We formerly lived in what is now the ordnance area. We had 120 acres rented there and about 107 acres rented over here. My landlord, Rolfe Wagner, president of the Ankeny State Bank and the Capital City Bank, rented the land over on the other farm at a pretty low rental because when I got it the land and the place was pretty run down. We expected to stay there for some time and put improvements in and worked that land with tractors and I could farm it pretty deep and produce a good crop. We made out pretty well over there and by going into the Government program you could build up a part of the land and farm a part of it.

I had 4,000 bushels of corn sealed on that place. So far, the Government hasn't made any settlement with me other than to offer me, indirectly, \$1,050 for the corn and beans and no consideration has been given to me for the loss of clover seed and sealed corn or for the buildings I've put up on the land. No consideration was made for baling the hay in my barn so that it could be moved and other things like that. It was kind of a fake deal. About the notices, right from the start, they came around and told my wife we had to move in 10 days. Then, later, they give us a written notice that we had to be out the 15th of September. But that first notice scared a lot of people around here and they started to hold sales of their stock right away.

We moved over here to this hog-house that we cleaned out. It is a pretty tight squeeze living in such a place but we can't put up another building. No one could get any houses off the plant lands—they took everything, loose planks, and other things that we could have used and that were later destroyed. We've no place to put our pullets and things and now the chickens we've sent to my mother's have range paralysis. Our cows have no shelter and we're trying to take care of our livestock out of doors. Meanwhile, we've not made a final settlement and have received no money at all.

I could hardly make a living on the 80 acres that I can get from the defense relocation corporation—and with the machinery I've got—spread around now through the county—I can take care of two or three hundred acres. Sure is a mess. Takes lot more choring now than it did before.

I've got a farm rented near here—240 acres for next year—when I can get possession of it. I had figured on purchasing a farm and keep on farming the one I had so that I could pay for the one I'd buy, but the money I've saved in the bank for a down payment on a small farm is all gone now with the moving—and the prices are raised too.

Of course, my landlord says he's not going to pay me anything for moving. He took me aside after the talk with the guys from the Government office and told me—just to protect himself that he didn't have to pay me anything for the improvements I had put on the land—only for part of this year's crop—that's all he had to do and that's all he's a-going to do. I think the Government ought to make such people pay us tenants something especially since this move doesn't hurt their income or living or families—after all, the tenant does all the work on the land and these bankers shouldn't get so much.

MILO STALL.

ANKENY STATE BANK,
Ankeny, Iowa, November 19, 1941.

MISS EVELYN WEINBERG,

Care of House Committee Investigating National Defense Migration,
Omaha, Nebr.

DEAR MISS WEINBERG: In reply to your inquiry as to how the Government ordnance plant is affecting business in this community.

We find that it has not increased the business here in Ankeny as much as we thought it would for the reason that the plant is only about 5 miles from the city limits of Des Moines and most of the employees of the plant come from Des Moines every day. However, it has made some increase in all lines of business.

The banks in Des Moines do not charge for cashing checks and we have a service charge for cashing all outside checks so most of the employees cash their checks in Des Moines; we have been cashing from 400 to 500 pay-roll checks every week.

We have had a shortage of residences here for several years so the newcomers who had families had to go elsewhere to find places to live. There are about 100 trailers in the trailer camps of Ankeny and many have them on their residence property. All the homes who had rooms to rent have them occupied at fair prices.

There has been an increase of about 100 pupils in the grades of the school but only a few high-school students.

Before the plant work got started we had 3 places that had cigarette licenses and only one place with a beer permit. Now we have 10 places that have cigarette licenses and 2 beer permits. Cigarette licenses are \$50 and I believe the beer permits are \$300.

It brings some extra revenue to the town but we have hired a policeman which makes extra expense, before we just had the constable at a very low wage.

The people who are living in the trailers are all very nice and so far I have never yet seen a drunk on the street, and in all we think that we have a much better class to deal with than we expected.

Most everyone here is working and are pleased with the wages they are getting.

I don't think there are many people employed who come from a distance but many of the skilled workmen come from different parts of the country.

I have tried to explain the situation as best I could but I think each plant had different problems for the reason that some are farther away from the larger cities and trading centers.

But in all we here in Ankeny have been pleased so far with the class of people we have had to deal with and think it has been a help to all lines of business.

Yours very truly,

W. J. LIECHTY, *Cashier.*

STATEMENT OF HARRY J. BODE, FARMER

I own this farm of 400 acres, here in Kossuth County. I work it with machines.

My son is 19 years old just now. What started him a-goin' was his schooling. He went to school in Algona and got interested in airplanes. He's mechanically inclined.

He is now at the Aero-Technical Institute at 5245 St. Bernard Road at Los Angeles, Calif. Solicitor from the school came here and interviewed some of the boys who were at school in Algona. Just two of the boys went from this county then—in February. There are about half a dozen boys from this county down in California now.

This hasn't left me particularly short-handed on the farm now. He used to work on the farm in the summertime but never otherwise. I've been hiring help now for about 40 years. Never had any difficulty getting help—not this year or any other. I've had the same man here 3 years—but he may go any time now because he's just draft age. I've got five boys altogether—three of them farming; one is right here across the road and he helps me some.

Next year I'm getting another 280 acres of land right next door here, and I'm putting one of my married sons on there. He's been farming some rented land 8 to 9 miles southeast of here but that farm was bought by John Ziemet who owns another farm and who is going to rent this new land to a friend of his. If it hadn't been for that, he (the friend) wouldn't of had a farm either. The big problem now is to get a farm of his size—that is for the young fellow who can't get help. Some of the older farmers find the same problem. The only way to have a farm now is to buy it if you can get it from the big farmers.

Now farming is being forced to the position where a man has to work with machinery and so he can't be satisfied with 120 acres—he needs close to 240. I blame part of that on the machine salesmen who try to make a sale no matter what and get one or two payments—if a man has a big farm, he can hold his machine but if he has only a small farm he loses his farm and the machine and some other fellow gets it.

TESTIMONY OF MILO STALL—Resumed

The CHAIRMAN. How old are you?

Mr. STALL. 35.

The CHAIRMAN. Are you married?

Mr. STALL. Yes; and I have four children.

The CHAIRMAN. Are you a farmer?

Mr. STALL. Yes, sir.

The CHAIRMAN. How long have you lived at Ankeny?

Mr. STALL. In the neighborhood of Ankeny, practically all my life.

The CHAIRMAN. Did you own the land you farmed?

Mr. STALL. No, sir; I was a tenant.

The CHAIRMAN. Who owns it?

Mr. STALL. I have two landlords, Ralph Wagner, the president of the Capital City Bank and several other banks in Des Moines, and S. R. Graham, the financial man of the Tribune.

The CHAIRMAN. How much land did you farm?

Mr. STALL. 237 acres.

The CHAIRMAN. Was that within the area of the plant?

Mr. STALL. 120 acres was. The other 117 was outside the plant, without a fence or building or anything to work with whatever; just bare ground.

The CHAIRMAN. You lived on the ordnance site?

Mr. STALL. Yes. And the other part of the land I had to do something with after I was put off where I was at.

The CHAIRMAN. What did you do with it?

Mr. STALL. I bought me a bunch of hogs and a lot of fence and put me up a scatter place, if you please.

The CHAIRMAN. Did you buy any of that from the ordnance plant?

Mr. STALL. They won't sell or give—they just destroy. That is a fact.

The CHAIRMAN. In most of these instances they do sell the buildings.

Mr. STALL. They didn't there.

The CHAIRMAN. Did you try to buy one?

Mr. STALL. I tried to buy a fence. Many a person tried to buy buildings, but didn't succeed.

The CHAIRMAN. I will just say for the record, in all of these places they have sold a great many of the buildings and a great deal of the fencing. What arrangements were made with you as to your interest in the land that was taken?

LOSS APPRAISED BY FARM APPRAISAL BOARD

Mr. STALL. In a roundabout way I was offered \$40 an acre for corn and \$30 an acre for beans which totaled \$1,050. The Farm Appraisal Board appraised my loss at sixty-two-hundred-and-some-odd dollars.

The CHAIRMAN. What was the Farm Appraisal Board?

Mr. STALL. It was set up by the Farm Bureau.

The CHAIRMAN. Is that what Mr. Hawley was telling us about?

Mr. STALL. Yes.

The CHAIRMAN. They appraised it at \$6.250?

Mr. STALL. They took the leasehold, gardens, and everything that should be taken in and they thought they were fair, and I thought they were fair. It wasn't too high.

The CHAIRMAN. Did you sign any option or any settlement?

Mr. STALL. I have not.

The CHAIRMAN. Has the landlord been settled with yet?

Mr. STALL. Not yet. And he has told me twice that he would not give me a dollar.

The CHAIRMAN. How many acres of corn do you have?

Mr. STALL. On the area condemned, 45 acres. I was offered \$40 an acre. Also 10 acres of beans.

The CHAIRMAN. And you were offered how much?

Mr. STALL. \$30 an acre and three-fifths of that was mine and one-half the corn was mine.

The CHAIRMAN. Did they offer you anything for your gardens?

Mr. STALL. They did not. I had clover seed worth in the neighborhood of \$800 destroyed.

The CHAIRMAN. You mean growing clover, drying up for seed?

Mr. STALL. Yes.

The CHAIRMAN. No value for that at all?

Mr. STALL. They didn't talk to the tenants at all. They settled with the landlord and we know nothing.

The CHAIRMAN. Who set these figures?

Mr. STALL. That was through the landlord. He told me one night that that was what they offered for the crop on that place.

The CHAIRMAN. That was what the landlord offered you?

Mr. STALL. Yes. And outside of that he said he wasn't going to reimburse me a dollar. We are still friends. He said that to relieve him of any trouble in court.

The CHAIRMAN. That committee judged your loss at \$6,250. Was that your loss?

Mr. STALL. That was my loss alone.

The CHAIRMAN. And in that estimate, were they still giving the landlord a half of the corn and two-fifths of the beans?

Mr. STALL. Yes, sir.

Mr. CURTIS. And how much did you get?

Mr. STALL. I haven't gotten anything.

Mr. CURTIS. How much are you going to get?

Mr. STALL. We have no statement yet at all.

The CHAIRMAN. How much was it?

Mr. STALL. \$1,050 that they offered me on the crops. That is what would have come to me if I had taken what they offered.

The CHAIRMAN. Have you told your landlord that you would be unwilling to accept it?

Mr. STALL. I told him I would rather not take anything than that small sum for that.

The CHAIRMAN. You are aware of your rights in the court?

Mr. STALL. He told me he hadn't told me to get off the place, and he would not.

The CHAIRMAN. I don't mean your rights against the landlord. But if the Government takes this over, through condemnation proceedings, you will have an interest that will have to be adjudicated in the court.

Mr. STALL. I just don't see what you mean by that. He said if he hadn't told me to move, I wouldn't have any hold on him.

The CHAIRMAN. Suppose you fail to agree to that. The landlord can't settle with the Government until you agree to settle with him. Then they will have to go into the Federal court and file a declaration of taking, and you will be made a party defendant along with the landlord, the Government being the plaintiff.

Mr. STALL. If my money holds out. The rest of the tenants signed their waiver a long time ago. I think there is one other tenant besides myself that held out.

The CHAIRMAN. If those condemnation proceedings are taken to court, then you will have a right to have your damages assessed by a

jury. That will take into consideration all of the compensable elements of damages.

LOSS IN MOVING SEALED CORN

Mr. STALL. I had on that place 4,000 bushels of sealed corn. It was stored for a year until this August. There was only 3 cents a bushel earned on the storage at the time I had to deliver, on account of the ordnance plant. I had to dig up the other 7 cents a bushel to get the corn moved, besides all the other losses. I had to sell and deliver it a year ahead of time, which alone is another loss.

The CHAIRMAN. Was that storage a part of the normal granary?

Mr. STALL. Yes, sir. I had a written consent of the landlord to leave it on that place until the time the storage was up. All my part of it was done, but when this came up, I had to pay the 7 cents storage I hadn't earned, which was all a loss.

The CHAIRMAN. I believe Mr. Hawley stated that the Department of Agriculture had taken the attitude that it would not make good the earned benefits. Is that right?

Mr. STALL. They also stated that it wasn't their trouble—much as they would like to help us.

The CHAIRMAN. You say all of your neighbors who are tenants have signed, with the exception of one other?

Mr. STALL. There is just one other who hasn't signed.

Mr. CURTIS. The point you wish to make is that the average tenant is not so much interested in what he can do in court as in getting the money he needs as soon as he can get it, and that many times he doesn't understand?

Mr. STALL. He is forced to do something he doesn't want to do.

Mr. CURTIS. It is your suggestion that the Federal Government should provide some means whereby the rights of these tenants are taken care of in due time, and that they not be forced to take an unjust settlement because they need the money in a hurry, or are not fully aware of their legal remedies. We thank you very much.

**TESTIMONY OF M. O. RYAN, SECRETARY, REPUBLICAN VALLEY
CONSERVATION ASSOCIATION, McCOOK, NEBR.**

Mr. CURTIS. Will you please give your name and address to the reporter?

Mr. RYAN. M. O. Ryan, secretary, Republican Valley Conservation Association, McCook, Nebr.

Mr. CURTIS. Mr. Ryan, our records are going to be open for about 10 days, and if you will send in a statement it will be printed in the record. Can you give us a paper on the outward migration from your valley and what contribution irrigation can make in reversing this trend?

Mr. RYAN. We had an idea yesterday afternoon after reading a statement concerning your meeting. The Burlington Railroad has a record of one-way tickets to California sold from the little towns in the Republican Valley. From 4 little towns there were 128 one-way tickets sold to California recently. They are making a canvass of all the other points.

Mr. CURTIS. We will be very happy to put that in the record.

(Following are the statements submitted by Mr. Ryan. The lists of names which accompanied the statements are held in committee files:)

STATEMENT BY M. O. RYAN, SECRETARY, REPUBLICAN VALLEY CONSERVATION ASSOCIATION, McCOOK, NEBR., NOVEMBER, 25, 1941

In connection with your current studies of migration, occasioned by national-defense industries, may we respectfully present several suggested methods by which this migration might be accurately measured.

From only four points canvassed by the Chicago, Burlington & Quincy Railroad officials, a total of 128 one-way tickets to California have been recorded so far this year. The great majority of these are reported to have been sold to young people from those communities. The one-way ticket is regarded as an accurate method of measuring the out-bound travel which has a semblance of permanent removal. These sales were made as follows: Oxford, 21; Arapahoe, 19; Cambridge, 12; and McCook, 76.

It is highly likely that an even greater travel by car to west coast and other concentration points for national defense has been experienced, but no known method of tracing or measuring travel exists, prior to the 1942 automobile registration in the various States.

The McCook Credit Association publishes a weekly credit letter to members. Since January 1941, and including the November 20 weekly letter, a total of 33 address changes from Red Willow County to California defense points, Fort Crook, and other points known definitely to be defense industry centers, are therein recorded. An even greater number of railroad men has been transferred to Denver, Cheyenne, and other points where national defense freight traffic has ushered in demands for increased labor forces. In practically every instance, these address changes noted by the credit association are family heads, since junior members of a family are seldom listed separately.

We attach a list of 196 names, gained from the record of address changes at the McCook Post Office. The great preponderance of these are claimed to be family heads. The postal rules prevent the giving out for publication of present addresses, but the postal officials who compiled the list estimate that 75 percent of this total has changed to California or other west coast addresses.

There is also attached a list of 18 names, most of which again are family heads. This list was made up by Fred Marsh of McCook, an insurance man, who knows each of the parties personally. It is a known fact that each person shown herein left McCook in the past several years, intending to set up permanent residence elsewhere, as shown.

From most sources, we are advised that a majority of the migrants are young men and women, the type of citizens who will, in the normal course of events, be building homes, equipping homes, farms, and business places, and affording consumer markets for business at other points in the Nation. This might well become a grave threat to all types of business in Nebraska, especially the entire retail field.

We firmly believe that a careful field study by investigators of your committee in our locality would reveal the fact that current migration is even heavier than during the difficult years of 1934 to 1937. If this proves correct, a problem of great magnitude faces those parts of Nebraska, and other contiguous States, which are suffering a like experience.

Our association offers two tangible suggestions for meeting this problem, and helping to check migration. That suggestion centers around rehabilitation of the farm economy through flood control, soil conservation, and development of well or surface irrigation wherever found feasible by competent technical agencies. The other would involve introduction of defense industries in this area.

THE REPUBLICAN VALLEY CONSERVATION ASSOCIATION,

McCook, Nebr., December 15, 1941.

Dr. ROBERT K. LAMB,

Chief Investigator, Committee, Migration of Destitute Citizens,

House Office Building, Washington, D. C.

DEAR DR. LAMB: At the hearing, held by your committee in Omaha, Nebr., November 25, the committee very graciously accorded us the privilege of filing a supplementary statement, in addition to the brief statement handed your committee clerk.

We are privileged to attach a copy of a statement, prepared by us today, on the basis of supplementary information which has just reached us. We shall

be hoping that some of the contents will be pertinent to your study and that they may be reviewed by your committee.

Respectfully,

M. O. RYAN, *Secretary.*

ADDED STATEMENT OF M. O. RYAN, McCOOK, NEBR., DECEMBER 15, 1941

The area studied in this brief is the watershed of the Republican River, lying in the southwestern part of Nebraska, and running over into Colorado and Kansas. The watershed, including 25,000 square miles, is a typical portion of the Great Plains, except that repeated floods have added to the problem of recurring drought, and intensified the outward migration.

A unique method of measuring this migration is found in the analysis of one-way ticket sales by the Burlington railway which traverses this valley. Since January 1, 18 cities and townships within a radius of 75 miles east and west from McCook, have sold a total of 294 one-way tickets to western points, bound for defense work of one kind or another. Of this total, a few have gone to Washington, D. C., to go into Government work, and the remainder have all gone to California, and a few to Washington State. The great majority of them were young men.

From some of our townships of 1,000 population, as many as 20 have gone by train alone, and we think it safe to assume that an even larger number have gone by car. Sample cities, and their one-ticket sales reported to the Burlington, are: St. Francis, Kans., 17; Atwood, 19; Beaver City, 19; Culbertson, 22; Trenton, 18; Benkelman, 21; Oxford, 21; Arapahoe, 19; and from McCook a total of 76.

Migration of this magnitude surpasses the outward movement of people during the trying years of Dust Bowl experience. The past decade witnessed an average population loss of 13.2 percent in the 10 counties in Nebraska, which lie entirely within this basin. Threatened is the entire tax base of the area.

Frank Holmes, superintendent of the McCook High School, has assembled a list of individuals and families which have removed from this city of 6,500 within the past 2 years, as taken from the rolls of school children in grade and high school. The city is literally being denuded of its tradesmen and its service trades workers. Even ministers of the gospel have left, the list including three of them from this community, one of whom has become an Army chaplain. Also numerous farmers, squeezed out by drought and flood, or by foreclosure, have emigrated to other areas.

List 1A, attached, includes 71 names, many of them family heads who have taken their families with them, headed for farms in other sections of the country, or for nondefense work. List 2A includes 20 names of men and women who have gone directly to defense work, and withdrawn their children from the local schools. List 3A includes 46 names of young men who have left the city, up to December 1, each of whom has gone to the armed forces or to defense work of some kind. These are all men whose youth caused them to be registered with school authorities, and does not include older men whose names would no longer be recorded with the city schools.

We submitted formerly lists from the McCook Credit Bureau, and from other sources, giving further evidence of the severity of current migration. None of them are presumed to be complete, but are offered as possible suggestions to new studies by the committee of selected communities to gauge the actual extent of defense migration.

IRRIGATION TO MEET WAR FOOD NEEDS

We do earnestly plead that the development of supplementary irrigation in this locality could serve to stabilize farm income, and thus provide a sufficiently sound economy for this area to check the outward migration. Through the Agricultural Adjustment Administration and Farm Security Administration as well as numerous other Federal devices, an effort is being made to stabilize farm income. But all of these efforts fall far short in years of drought, when little or no farm produce is grown.

During the last war, when the plea came out from our Government to increase production, one of the gravest mistakes in the agricultural history of the Great Plains occurred. Much of our pasture and grazing land was broken and planted to wheat and other grain crops. There was laid the basis for subsequent foreclosure, soil blowing, and migration such as the Dust Bowl made famous. We insist that if native production of foodstuffs is to be

materially increased to feed America and the lease-lend nations, that it would be far more prudent to resort to supplementary irrigation, where proven feasible by the Bureau of Reclamation and other Federal bodies, than to make the mistake once more of breaking up marginal lands.

IRRIGATION PROVIDES HOMES FOR POST-WAR DAYS

The Bureau of Agricultural Economics has recommended irrigation of 125,000 acres in that part of the Republican Watershed lying above Superior, Nebr., while investigations being carried on by the Bureau of Reclamation on projects running on east and south from that point, down into Kansas, if found feasible, would increase the total potential irrigable acreage to nearly 250,000.

What would that mean in terms of increased farm units, increased farm labor opportunities, and increased farm production from this area alone?

In the 16 counties, composing the upper reaches of this watershed, running over into northwestern Kansas and eastern Colorado, there were, as of the 1940 census, a total of 20,500 farms, accounting for 7,954,000 acres, or an average of 388 acres per farm. The Bureau of Agricultural Economics' survey of this basin revealed an average of 73 acres per farm under irrigation on all existing irrigation installations. But should we figure as high as 200 acres for the proper economic farm unit, the tillable acreage of this basin would break down into a total of 39,770 farms.

Not only would the expansion of supplemental irrigation double the number of present farm units, and treble the production during dry periods, but an immense new labor market would be introduced, since irrigation farms require at least double the labor of dry-land operations.

We have not included Chase, Dundy, Lincoln or other counties in this watershed, which run into sandhill country where farms are larger. But even in those counties extensive opportunities for well irrigation exist, according to the Bureau of Agricultural Economics.

In looking ahead to post-war years, with the need for resettlement of many families, we think it is pertinent to point out that this single relatively small watershed of 25,000 square miles could accommodate another 20,000 farm families, as a minimum. We hope its capacity in that direction may be carefully appraised in connection with any post-war agricultural planning now being carried forward by State and Federal agencies.

TESTIMONY OF PANEL OF EDITORS

Mr. CURTIS. The rest of our testimony will consist of the panel of editors.

Mr. OSMERS. Will you please give your names and addresses for the record?

Mr. RUSSELL. J. S. Russell, farm news editor of Des Moines Register.

Mr. HODGKIN. Carlyle Hodgkin, farm editor of Omaha World-Herald. I live in Lincoln, Nebr.

Mr. ROELOFS. Edward E. Roelofs, editor, Sioux Center News, Sioux Center, Iowa.

Mr. OSMERS. We are very happy to have you with us. Since all three of you understand the scope of our hearing, I wonder if each of you would give us a brief oral statement supplementing your written statements, which have been accepted for the record, as have some statements from some other editors who could not appear today.

STATEMENT BY J. S. RUSSELL, FARM EDITOR, THE DES MOINES (IOWA) REGISTER AND TRIBUNE

NOVEMBER 25, 1941.

The defense program has been responsible for a substantial reduction in the supply of farm labor in Iowa. There are 25 to 30 percent fewer persons available for this work now as compared to a year ago.

There is no real shortage from a State-wide standpoint at the present time but unless some steps are taken to remedy the situation, there may be one within the next year or so.

In the first place, the competition from defense industries and projects and the more attractive wages and hours offered have been the principal causes of the migration of rural workers from the farm areas.

The farm job at \$45 to \$60 a month—somewhat higher rates by the day and some additional compensations included in many cases—with a 60- to 70-hour week isn't very attractive as compared to 40 hours a week at \$1 an hour, plus time and a half for overtime, in the defense industries.

The Selective Service Act has taken some of the young men out of rural areas but State administrators of this act deny that there has been any real shortage occasioned by their policies in Iowa.

FARM LABOR SUPPLY

Lt. Col. R. J. Shaw points out that last April the State employment service had 4,600 farm hands registered for jobs while 5,500 farmers were deferred as necessary to farm production. Agricultural deferments now total 9,500, or 5 percent of all men classified. He also points out that 4,600 farm tenants were forced off the land last spring because they could not find farms for rent and that many of these men were made available for farm jobs. Before another crop season, 1,000 Iowa draftees are expected to have completed their year of service and to be back in the State to swell ranks of workers.

Many farm groups have gone on record asking deferment of farm boys to avoid a labor shortage for next season.

Labor shortages to date have consisted of local and seasonal demands which could not be filled and the real trouble has been due to lack of proper distribution and training rather than of total number of workers in the State.

The number of men registered for farm employment remains fairly adequate in most of the State, although it now is less than half of the total of last April, or about 2,200. There are definite shortages indicated in counties adjacent to Burlington, Davenport, Clinton, and Waterloo, indicating the effect of employment on defense projects.

The State Work Projects Administration office reports 146 men leaving Work Projects Administration for private employment during October in one of three districts in the State. Administrators state that men must accept private offers of jobs or they will be dropped from Work Projects Administration. The Work Projects Administration load in Iowa has dropped from 36,000 a year ago to 14,000.

National Youth Administration has about 600 farm boys—or did 2 months ago, according to latest information available—out of 1,500 on projects of this agency.

Farmers feel that both Work Projects Administration and National Youth Administration are providing competition with them for available farm jobs and that so-called emergency or relief agencies are being maintained in the face of actual labor shortage. Farmers also claim that they do not want nor can they use most of the men now on Work Projects Administration.

Younger men are leaving Work Projects Administration for private employment, which leaves only the older men. The average age now is nearly 48 years of age. Construction projects have been dropped in 17 counties by Work Projects Administration, and National Youth Administration now is not operating, or has only clerical projects, in 24 counties, mostly rural. From July 1 to October 30, 1941, a total of 388 young men left National Youth Administration for farm employment in rural areas. No data can be presented on Civilian Conservation Corps, but the number of enrollees is dwindling as private jobs become available.

While Work Projects Administration, National Youth Administration, Civilian Conservation Corps, and the Selective Service Act have been credited with some competition with the farm labor market, the big factor remains—and will continue to be—the defense program with its more attractive wages and hours.

IMPLICATIONS OF FARM LABOR MIGRATION

The migration of farm labor away from the farms is important in that it has some rather serious implications for the future and may affect the future security of persons engaged in agriculture.

A labor shortage will step up the trend already in effect in Iowa toward fewer farms, more highly mechanized and operated by fewer persons.

This may hasten the apparent industrialization of farming, which to date has been rather a gradual tendency brought about by the greater use of machinery and the increased technological efficiency whereby fewer persons are able to produce our food requirements with each passing decade.

There is a short-range problem before agriculture right now in which increased food supplies are needed for the national defense and lease-lend requirements. The long-range implication indicates the possibility that with higher wages necessitated by competition from industry, consumers might feel the pinch of higher production costs as farm prices advance.

Increased mechanization might be a solution of the problem, although right now priorities hinder this development. The trend in the long run might turn farms into factories, losing much of the social benefits of the family-sized farm. On the other side of the picture is the possibility that again workers who have left the farm for city jobs might hie themselves back to the land as a refuge, just as they did in 1931-34, if some future depression should make the going tough again.

GREATER SECURITY FOR FARM WORKERS

A practical approach to the problems of agriculture would be to take whatever steps are necessary to insure greater security to farm laborers, farm tenants, and farm owners.

In the first place, there are many persons on Work Projects Administration, National Youth Administration, or some of the other emergency agency rolls who with proper training could make efficient farm workers. Not all are fitted by background or preference but it is possible that a training period similar to some of the defense training schools could alleviate any farm labor shortage in an area where it now exists or in the future for the state as a whole. Employer would have to do their part by being willing to hire on a steady basis and provide decent hours.

Perhaps this would be one way of relieving the condition of the farm tenants, now being forced off farms at the rate of 3,000 to 5,000 a year because they cannot get farms to rent. Many of these have been "tractored off," as Iowa agriculture increases the number of tractors at the rate of ten to twelve thousand a year—125,000 to 130,000 now—and increases the area of the farms by about a half acre a year on the average and 3 or 4 times this rate in some counties.

The tendency for a single operator to rent additional land and operate with mechanized equipment—we have upward of 22,000 mechanical corn pickers in Iowa—has been a factor in the shortage of farms for rent. Competition by farmers from less-favored agricultural areas of Nebraska and South Dakota has contributed to the shortage.

The farm tenant has all too little security of tenure. So far the Iowa Legislature has adopted only makeshift measures for the improvement of farm tenancy. Most of the recommendations of the State committee on farm tenancy were ignored and little improvement resulted from that study and report. Improvement in leases, in the relationships between landlord and tenant, and in longer tenure is needed.

The shortage of farms for rent has been stepped up by the purchase of farms by tenants during the last few years. Favorable farm prices and income have made it possible for many of the better tenants to buy farms, and some of them have taken this step largely to be certain that they would not have to move. In many instances the purchases have been made "on a shoestring," and sales by insurance companies, with a down payment of 10 to 15 percent, have not been uncommon, and a few have sold for less than 10 percent.

If farm conditions remain favorable, these men in a few years will be able to meet their obligations, but a price depression, a few unfavorable seasons, or the withdrawal of a farm program with no satisfactory substitute might plunge "shoestring" farm owners into insecurity again. Purchase on an inflated price level might mean plenty of trouble.

This emphasizes the need for security and stabilization of farm prices and income if there is to be any real security for persons engaged in agriculture, whether they be owners, tenants, or laborers.

The policies of the Federal Government in acquiring land for defense projects and, particularly, ordnance plants, have tended to throw agriculture in the affected areas out of balance and adjustment and work hardships on farm operators and, particularly, farm tenants.

TENANTS NOT RECOGNIZED IN LAND PURCHASES

The Government, although attempting to alleviate tenure conditions and help tenants, through certain agencies, has refused to recognize the farm tenant when it comes to acquiring of land. The tenant is ignored, verbal leases have no standing, the potential value of a farm enterprise as a factory for converting grain and roughage into meat and milk is not taken into consideration. The tenant is given a kick in the pants and if he complains, he is called unpatriotic. Meanwhile, land values in the vicinity of projects soar, and owners of condemned acreages

frequently suffer financial loss when they seek to replace the acreage sold to the Government.

The Farm Security Administration, which already is helping farmers to buy farms under the Tenant Purchase Act, is setting up a defense relocation project in northern Iowa wherein about 130 rather small tracts are to be made available to farmers for leasing. This cannot be more than a drop in the bucket, or a demonstration, on the scale now contemplated but is designed to alleviate some of the shortage and demonstrate that it is possible to make a living on 60 to 100 acres of good land; just as the tenant-purchase program under the Bankhead-Jones Act is demonstrating that some 800 tenants, with proper financing and supervision, can become farm owners without any down payment.

There is considerable agitation in Iowa to effect some sort of a break-down of the large farming units, reversing the trend toward fewer and larger farms. No one seems to know just how it should be accomplished but a number of farm bureau organizations and farm planning committees have suggested the desirability of checking the increase in size of farms and maintenance of the family-sized unit.

Among the suggestions are: That a graduated land tax be aimed at large units, rather than necessarily at owners of large areas as has been suggested; extension of the homestead tax exemption idea; development of machines designed to operate on the smaller farm units; further demonstration by Government agencies that the smaller or medium-sized farming units can be operated efficiently.

In a few communities there have been indications that the labor shortage might even tend to put the brakes on the expansion of big-scale farming operations. Operators are hesitating to expand when the labor supply is uncertain and some owners fear that by renting a farm to a tenant who already is operating a farm or two, some neglect of land and buildings might result. There is some talk of the desirability of having each farm independently operated, some landlords feeling it better to have three tenants on three 160-acre farms than to rent the entire 480 acres to one man.

In the meantime, why not try out a system of training some of the persons on public agency rolls for the highly skilled job of farm labor, with a view to making it possible for them to get steady jobs on farms? We might also investigate further the controversial issue of bringing farm labor within the provisions of the Social Security Act as proposed by Secretary Wickard and others.

It is obvious that we cannot expect to keep all rural youth on the farms and we must continue to provide training in industrial skills and crafts so that many of them can find jobs elsewhere. It is essential, however, that we meet both the immediate needs and the long-term implications to prevent a disruption and dislocation of agriculture by the defense program and its demand for manpower.

STATEMENT BY CARLYLE HODGKIN, FARM EDITOR OF THE OMAHA (NEBR.) WORLD-HERALD, NOVEMBER 25, 1941

My observations on the subjects before this committee can be summed up briefly:

DEFENSE MIGRATION

There has been a great deal of migration from Nebraska to defense jobs both in the West and in the East. Probably nobody knows just how much. The editor of the paper in Cozad, Nebr.—population, 1,800—told me at least 100 young men have left there this summer and fall for defense jobs. Editors and businessmen in nearly every town report that many young men have gone away to work.

This new kind of migration works an additional hardship on the businesses and industries of Nebraska. The State suffered for 8 years of drought, and a great many farm families pulled up stakes and left the State. Now the migration of farmers has pretty well stopped but there is continued migration of another type—mechanics, carpenters, plumbers, and other skilled workers leaving the towns and a great many young men, generally unskilled, leaving the town and community for most any kind of defense jobs they can find. A few farmers, I've been told, are selling out and following their sons to where there are jobs, but probably this number is not very great.

EFFECTS ON FARMING

As yet I do not think the movement of manpower out of Nebraska has caused serious loss of or damage to farm crops in Nebraska. There was some scarcity

of help at harvesttime, but farmers managed to get their harvesting and threshing done without serious crop loss that I have heard of. There is some scarcity of men to pick corn this fall, but in some communities farmers have told me they are half or better than half done and will get along all right if the weather continues reasonably favorable.

There are ways the farmers can meet this labor shortage. One is by working a little harder than many have had to work during the past 8 years of poor crops. Another is to ask the women to help outside once in a while at raking hay, driving a tractor, or something that isn't too hard. Another is to trade work with neighbors more. This often can be done where help is scarce and a two-man outfit has to be run, such as tractor and combine.

SHIFT TO MACHINERY

The biggest thing farmers will do to meet the labor shortage is to shift to machinery. Mechanical corn pickers that haven't been used since 1933 are being hauled out of farmers' sheds over Nebraska this fall. Likewise, mechanical elevators to pile the corn.

Combines are in common use for grain harvesting. Tractors are in common use for plowing and row-crop work. The farm machinery companies have had good sales in the State the past two seasons. I don't think the general state of repair of farm machinery over Nebraska is so terribly bad. Farmers generally have a lot of mechanical ability and inventive genius. In a pinch they can find ways and means to get things done.

In production of beef, pork, lamb, wool, dairy products, and poultry products farmers have learned much about how to turn out greater production per man by means of labor-saving systems and equipment. For instance, by self-feeding one man can handle a lot more hogs or chickens or turkeys; or with the right kind of lambing pens one man can handle more sheep.

In certain specialized crops like potatoes and sugar beets, mechanization of hand labor processes is developing rapidly. Sugar-beet loaders, which remove the most back-breaking job in the industry, are fast coming into common use. Machines that lift, top, and load the beets—reducing three different processes to one—are being tried experimentally this year. They are far from perfected yet but there is some hope of having them in limited commercial operation by next year. Experimental research at the same time is developing a way of "single seed" planting of sugar beets so the hand "thinning" in the spring no longer will be necessary. These changes, when they have fully arrived, will greatly reduce the hand labor needed for sugar-beet production and cut the cost of producing the crop.

Mechanization of farm processes seems certain to go on faster, no doubt, in some phases of the industry than in others. Wheat growing, for instance, is pretty well mechanized now.

RETURN OF MIGRANTS

There will be new problems when the young fellows come home from their defense jobs after the war. Some men I've talked to in farm communities think most of the defense migrants, the young fellows especially, won't save much of the money they are making now. These chaps have grown up in farm communities in hard times. They never have had much money. This is their first experience on good wages and there are plenty of ways to spend their wages for good times.

A lot of young men now gone from Nebraska probably will come back broke after the defense boom and have a pretty hard time finding anything to do. The obvious thing for Nebraska to do is to have things ready for these fellows to do when they come home, or draw them home to jobs as the defense effort begins to slacken.

But what jobs can be provided for them is the great question?

Irrigation in Nebraska appears to be one avenue of promise. We have as an example a fully developed irrigation community in the North Platte Valley. The high yields and great variety of crops produce a great number of jobs both on and off the farms.

A new irrigation area, the "Tricounty," is now being developed in the south central part of the State. First crops under partial irrigation have been produced there this year, and the yields of watered corn run about 50 bushels per acre compared with 15 or 20 for unwatered corn. Other new irrigation areas are being developed along the Loup Rivers in the central part of the State, and in

these areas where manpower requirements are increasing rapidly the labor scarcity no doubt will be most acute next year.

Irrigation from pumps has considerable possibility over Nebraska. There are places it cannot be done successfully, but there are a great many places it can. Many farmers have been slow to put down irrigation wells, partly because they lacked the money and didn't want to borrow and partly because they hesitated to take on the additional work and management problems that irrigation requires.

Irrigation seems to me to be one avenue of permanent improvement that needs to be encouraged and developed in Nebraska.

INDUSTRIES FOR NEBRASKA

In recent years there has been much agitation for new industries in Nebraska. It has been pointed out, for example, that if we just raise and sell the cattle that's one source of income, but if we process the meat that's another, and if we tan the hides that's another, and if we make the leather into shoes that's still another.

OPPORTUNITIES IMPROVED

A man of high standing in the University of Nebraska last winter gave me this significant picture of the improved opportunity for industry in Nebraska:

Nebraska now, with its system of hydroelectric plants, is able to develop distributable power. Power is the first requirement of any manufacturer. Distributable power is the principal influence in the past 30 years in bringing about some decentralization of industry, and Nebraska now has power to offer.

Second, modern high-speed rail transportation, all-weather highways forming a network over the region and air service for both passengers and freight make possible rapid distribution of the manufactured product in less than carload lots. The distribution of the manufacturer's product is much easier and faster than it once was.

Third, rents are lower for the manufacturer and living conditions for his workers are more healthful here in the rural areas of the Nation.

These three factors—distributable power, both electricity, natural gas, and oil, high-speed, all-weather transportation, and lower rents and more desirable living conditions—were pointed as all favorable, for the first time in the State's history, to the location of industry here.

This could be light steel, plastics, or industry of many types. Generally it is pointed out, however, that the most logical industries for Nebraska are those based upon agricultural products as raw materials.

CHEMURGIC INDUSTRY

With this last idea in mind, the Nebraska Legislature in its last session appropriated \$25,000 for chemurgic research under the board of regents of the university. The three chief purposes are to keep in constant touch with research in this field at other places, such as the Federal laboratory at Peoria, to study new uses of Nebraska's present farm crops as raw materials for industry and to seek new crops of industrial value that might be grown in Nebraska.

This project is just now being put into operation. We hope it will be a means of finding industries to take up some of the employment slack when the national defense program ends.

In general, I think the kind of help we need from the Federal Government in Nebraska is financial assistance in establishing industries based on farm raw materials. Financial assistance not only in possible construction of plants but in research to find the way. One timely example is ethyl alcohol, which has been much cussed and discussed over the Middle West in the past 10 years. There is a great need for this product now for shells and explosives of war and a great shortage has developed in the Nation. If the Government had been willing to finance a few experimental plants a few years ago, when it seemed to have unlimited money for everything else, the grain-producing States could be helping to meet the Nation's acute alcohol needs now. It wouldn't have to be made out of sugar at double the cost. Moreover, research of the past few years now indicates strongly that industrial alcohol made from grain can stand on its own feet as a peacetime industry.

CREATE JOBS

I would like to offer another comment. I agree with the dissent of Congressman Carl T. Curtis in your published press release of October 21, 1941.

Some "employment agency" service is all right and has its place. I don't know whether we have too much of it now or too little. But the idea can be overdone and this all-Federal set-up is likely to overdo it.

After all, we have newspapers, magazines, and radio to publish information about jobs available and people needing jobs. Any fellow who will be any good on a job after he gets it is likely to do a little looking around on his own hook. Do we have to have a Federal crew running around hunting everybody's jobs for them? Let's spend the money instead for the establishment of industries and agricultural improvements that will make jobs.

STATEMENT BY EDWARD E. ROELOFS, EDITOR OF THE SIOUX CENTER (IOWA) NEWS,
NOVEMBER 25, 1941

Migratory labor is a problem today in all parts of the United States. Our people are mobile and respond to the demand for labor so readily, crossing State lines like any other commodity, that we look upon it as a Federal problem and not as a local problem.

The rural Middle West has a migratory labor problem, but not of the same proportion as have the congested industrial areas. Our problem in rural Iowa is not one of labor shortage—it is hardly a labor problem at all. It is a problem of losing a good percentage of our people and the effect of this loss on the character of the rural areas. It is a problem which we must face after the war when we anticipate a return home of the boys and girls who left during the last few years.

The few observations we make here are limited to labor—as we see it—as a rural problem. For years the rural areas have lost many of their young men and women to the professions and to commerce. This tended to balance our labor supply. In recent years, mechanization of farming, with the tendency to larger farms and fewer farmers, has forced more boys to look for work and opportunity in busier areas. Many of the farmers from northwest Iowa, for example, left for southern California to fill a demand for a rapidly expanding dairy industry for which these farmers had special abilities. We have witnessed many others, particularly young married men, going into the factories of industrial Michigan. These, prior to mechanization, had been absorbed as labor at home.

We shall insert an aside observation here. Since mechanization of farms, there has developed a class of married hired hands who live in small tenant shacks on the farm yard where they work. This is a new development which has serious implications socially, and which must eventually find definition in the social-security law.

It is obvious that the people who have migrated because they were "tractored off" are the opposite of a labor shortage. They are, however, a problem in the areas to which they move, and conceivably they could be a problem to us in an economic crisis they sought refuge among their friends and relatives.

But if those who have moved away are no problem to us now, the social implications of larger farms and fewer farmers resulting from mechanization are a serious problem. It is the same tendency we witness in industry—the rich get richer, and the poor get poorer. Those who can get started can prosper, but a majority of our young people must move away, some to become doctors and teachers, but most to become common factory laborers; and many of those who remain to increase that class of young married couples who must live in farm shacks.

Slowly leaders in the Midwest have come to see a possible solution—a way to keep the farms family-sized units, even while they become mechanized. We must extend credit to the promising young farmers so that they can buy farms, much as we have granted credit to homeowners under the Federal Housing Authority. We must write the terms of credit to discourage unlimited accumulation of land, and to encourage cooperation between neighbors in the use of farm machinery.

Farmers have successfully owned threshing equipment together for many years. Recently farmers in Iowa have been buying corn pickers, combines, grinders, trucks, and silage cutters together. The Farm Security Administration already

encourages their debtors to buy only such equipment which secures their money. Bankers make loans to farmers who follow good farming practices.

We are not concluding that our labor problem would be solved if we extended credit to young farmers to own their own farms. We do mean that the family unit is not only a social asset but a sound economic unit.

The national-defense program has more directly affected our labor supply. Over 200 boys have been drafted into the Army in the last year from Sioux County. Many others, boys and girls, have been attracted by good wages to the booming industrial areas. The effect of their going is obvious—they are the cream of the crop; but the truth is, we still have no labor shortage. We may feel the effect of their absence more next year, and the year after. The tendency toward mechanization of farms, however, will take up part of the labor slack, but, incidentally will intensify our future problem of farm tenancy and farm ownership.

The real problem is with these young people when the time comes for them to find a place in the post-war set-up. After the war, the young people dismissed from closed munition factories will come home to breath during the transition period. Even if normal industry rapidly reabsorbs them it will be a critical time for mobile labor. At about the same time that these people come flocking back, our service boys will be coming home.

We must be prepared to feed and house these people. It is obviously a problem which transcends State lines. Thank heavens for the experience we have had with the Work Projects Administration, the Civilian Conservation Corps, the National Youth Administration, the Farm Security Administration. We must extend these and similar agencies to meet the post-war crises.

STATEMENT BY J. C. HAMMOND, EDITOR OF DECORAH (IOWA) JOURNAL

Cities such as Decorah, which might be classed as one of the county-seat towns of the Middle West, are due to feel a considerable increase in the purchasing power of farmers, while those on moderate salaries are hit by the rising cost of living.

There has been some decrease in population, due in part to the enlistments in the armed defense forces, but to an even greater extent as a result of the migration of skilled and semi-skilled workers to the airplane factories, the munitions projects, and national defense activities in the industrial centers.

The farms are becoming more mechanized and the temporary buying by such monopolies as Carnation Milk, Borden's, and Kraft for condensed milk, dried milk, and cheese is tough competition for cooperative farmers' organizations, such as creameries.

SOUGHT INFORMATION HERE

The foregoing summarizes a report prepared for Miss Evelyn Weinberg, of the Tolan committee of Congress, a House committee investigating the effects on various parts of the Nation of the defense migration—meaning the effects from the numbers of men entering the national-defense forces as soldiers, sailors, and marines, and also the migration from the interior of the country to the munitions, airplane, and national-defense industries of the Nation.

Miss Weinberg has been touring the Nation to gain this information and visited Des Moines, Mason City, Decorah, and other points last week. She was here to gain information to be submitted to a hearing to be conducted by the five Representatives in Congress on the committee at Omaha Tuesday of this week.

CAUSES BUSINESS VACANCIES

Contrary to the belief of many, the national-defense program is having an adverse effect on rentals, vacancies, and property owners in the smaller cities of the Middle West, with a tendency to increase vacancies in business properties.

There are more vacancies in business properties and not quite so keen a demand for residential properties, though the average and better places are well filled.

The draft and enlistments have taken many young men out of the Middle West with no replacement by industrial activity inspired by the national-defense program, most of which activities appear to be centered in the larger centers of population in the South, East, and on the coasts.

Probably there has been a greater drain on the smaller cities and rural districts in taking men of the skilled and semiskilled trades to the automobile and air-

plane factories with a resulting shortage of carpenters, farm laborers, machinists, and skilled workers.

FARM BUYING POWER HIGHER

On the other hand, purchasing power of the farming population throughout the Middle West is being increased largely by the advances in the prices of farm products, which for the first time in recent history have reached a parity with industrial prices, but the white-collar worker and those with moderate salaries are placed in a more difficult condition with rising costs of living, while wages are not advancing and the proprietors of small businesses are hard pressed to continue present wage scales with decreased activities in the smaller cities, particularly those with no factories.

Competition from big wholesalers and manufacturers, virtual monopolies—is causing difficulties. Not long ago one of the important independent cheese factories in the Middle West was the Marty Co. at Monroe, Wis., and the Marty cheeses found a ready market. Now, like Log Cabin sirup, since taken over by one of the big monopolies, many buyers say some of the fine Marty cheeses have lost individuality in becoming a unit of Borden's.

COMPETITION FOR DAIRY PRODUCTS

The cooperative and private creameries in the Middle West making butter have been rather up against a tough proposition. Some of the cheese factories have been paying around 60 cents a pound for butterfat as compared with the 40-cent price at creameries making butter, since there has been an abnormal demand for cheese—with prices figured on the butterfat basis.

Then also there is the situation of the big monopolies in the dairy products field. Not many years ago there was little or no milk from Winnebick County going into the manufacture of condensed milk. Later a plant at Castalia was taken over and used as a cooling plant for the concentration of shipments of milk to a Carnation plant at Waverly, Iowa. Now truck lines operate almost within the shadows of the city of Decorah, where the Decorah Ice Cave Creamery Co., with some 800 members of the cooperative farmers' group, operate a creamery that has been manufacturing about a million and a quarter pounds of butter a year. For the first three-quarters of 1941, all records for production in Decorah set new highs, only to slump to the lowest point in many years during the fourth quarter of 1941 as Carnation milk and cheese factories are paying more than the price of butterfat going into butter for purposes such as cheese-making, condensing, and powdered milk.

DRIED MILK TO BE MADE

The Decorah creamery has ordered about \$20,000 of equipment for manufacturing of dried milk and plans to start such operations next February.

Shortage of man-power on farms and in rural communities is causing a tendency to use more machinery, such as tractors and other equipment.

Alois Bernards, operating 80 acres highly diversified near Decorah, has never had a horse on his farm—using motors and mechanical equipment even to the point of turning lights on in the hen house at 5 a. m. for greater egg production in cold weather—placing out feed the previous night.

The result of migration of men from the Middle West into national-defense armed forces and national-defense industries is to increase centralization of work, cause the use of more tractors and machinery and bring about more centralization of monopolistic purchasers such as those by Borden's Carnation milk and Kraft cheese. This retards cooperative marketing of farm products, in somewhat the manner that direct buying of livestock by packers has curtailed competitive buying of livestock.

STATEMENT BY RALPH O. HILLGREN, STATE EDITOR, SIOUX FALLS (S. DAK.) ARGUS-LEADER

EFFECT OF DEFENSE PROGRAM ON SOUTH DAKOTA AGRICULTURE

Size of farm unit

There has been no appreciable change in the size of the farm unit in the State directly as the result of the defense program. In the eastern two tiers

of counties the quarter section is pretty much the standard unit, although a thrifty farmer may have acquired more and another of the same character may be able to get along with slightly less. There is now an extremely active demand for land here in the eastern section, with a few coming in from States to the east, but more from the counties farther west in South Dakota. Where the buildings are at all habitable, they are occupied today and the land is farmed as previously in the smaller units.

Farther west the unit may vary from a half section to as much as 800 acres for ordinary farming, with possibly more where livestock is the principal effort and grazing land is needed. A man cannot begin to operate with anything less than a half section, because the returns are not adequate, due to lack of rainfall. In this western section, also, land is in demand. There is some tendency toward getting bigger farms, but even the customary size farm is in demand (320 acres or more). In the central section of the State, a report today stated, every farm will be used next year. This report came from Kimball, in Brule County. Farming is sufficiently profitable, even in those areas, to create this demand for land.

Tenant problem

More land is now being operated by owners than was true several years ago. Since insurance companies, the Federal land bank, rural credit department, and even counties, are liquidating land which they obtained under the unfavorable conditions several years ago, many tenants find their places sold out from under them. As a means of self-protection, tenants are buying land so as to have some place to farm.

Farm sales this year are fully four times as great as last year. The State rural credit department is about at the halfway point in a liquidation program started 2 years ago, when it had more than 1,200,000 acres of land which it had obtained by foreclosure. Values are not much stiffer than they were last year.

Mechanization

Mechanization has progressed steadily since about 1928 or 1929. There are very few farmers who today do not have tractors. A very large number have mechanical corn pickers. The demand for pickers this year was greater than the supply. The machinery companies report this demand was mostly for replacements. Farmers found themselves having more cash, and wanted new machinery because the old was becoming worn out and inefficient.

No serious labor shortage has been seen. The typical South Dakota small town still has considerable labor, or retired farmers, willing to work on farms. This population flocked to towns several years ago when drought conditions made farming unprofitable. Relief work was more attractive.

Tractors, two- and three-bottom plows, and machinery to be drawn by tractors may now be considered standard equipment on South Dakota farms. This trend has been steady and had reached its peak before the defense program started. As stated previously, there has been demand for replacement equipment due to increased ability to pay for same.

Future of South Dakota agriculture

The pattern for South Dakota agriculture seems already to have been laid. Sheep and cattle will be dominant everywhere west of the eastern two tiers of counties, and even in those two tiers there will be heavy feeding operations.

An important influence on this pattern is the discovery the past few years that the drier portions of the State will grow sorghum successfully. Grain sorghum production this year was the largest on record. This can be fed to livestock very successfully.

Grain will continue to be grown in the drier portions, but only for feed, in rotation. There is absolutely no danger of vast areas being plowed up for grain raising even though prices shall advance. Experience has shown that the country is fitted primarily for livestock, with just enough farming to raise winter feeds, and a large part left in pasture for summer grazing.

In the western part of the State, units probably have reached as large a size as they will ever grow. It may be expected, however, that if prosperity continues individual farmers and ranchers may add contiguous tracts if the price remains low and taxes also are low. In most instances rents have been lower

than taxes, so it is better not to own too much land. The farmer and rancher would own what he needed for his home plot, and put in dams, but would rent much adjoining land. To repeat, he may buy if he had an abundance of cash, and if taxes become lower. Of course, the more land that is bought the lower the taxes will be, and there is a possibility that tax reduction in some of these counties may become substantial.

Drain of population

No authoritative material is available on the drain of population to the defense industries.

News reports are confirmally being received, however, about young men who have received work in the principal industrial centers.

Emphasis should be placed on the word young. There is little migration of farmers with families such as there was during the drought several years ago. The young men now leaving the State are fairly well educated, mostly unmarried, intelligent, and adaptable. There is no industrial education in the State, so they are not exactly equipped for industrial life, but experience has shown that when such young men from thrifty homes are given an opportunity, they make valuable employees. If the defense effort suddenly stops, some may find work in other industry. Farmers' sons can be absorbed into life on the farm, because there is always more than enough work even on the mechanized farm.

Other effects

The farmer's position is very good at the present time, due to better prices. Should great disparity reoccur, however, the effect will be disastrous. Farming is becoming more of a capitalistic venture every year, and fair returns are necessary to keep it above water. If labor's returns get out of hand, and are reflected in the prices of things the farmer buys, the defense program will indeed prove tragic for the farmer.

TESTIMONY OF PANEL OF EDITORS—Resumed

MR. OSMERS. Would you start the discussion, Mr. Russell?

MR. RUSSELL. I think you are interested, principally, in the migration from rural areas and how that has been affected by the defense program. I know that throughout most of Iowa there has been a very heavy migration both of potential farm workers and, as was told your committee earlier today, some migration of industrial workers, which decreased the potential labor supply available here. It is my own personal opinion that there has been no severe shortage as yet of hired farm labor except in certain areas. It has been more a matter of poor distribution and lack of adequate training, and especially the competition of defense work, although farmers in some of these areas have complained that farm boys were being taken by the draft.

DEFERMENT OF FARM LABOR

MR. OSMERS. Have a great many boys in Iowa been deferred?

MR. RUSSELL. I think that a farm boy should not be treated different from anybody else. If he is essential, he should be deferred, if not, he should not be deferred. The main thing is that it isn't attractive for a man to work 60 or 70 hours a week for \$45 to \$69 a month, depending on some of the other things that go along with wages in money, when, with only a reasonable amount of skill in defense work, he can get a job where he works 40 hours a week with time and a half for overtime. That is where your real competition comes.

MR. OSMERS. From industry rather than from the draft board?

MR. RUSSELL. Yes; the whole thing tends to reduce the available

labor supply. As Dr. Schultz pointed out, a certain amount of that is a good thing and the thing we have to expect. This idea of keeping the boys on the farm doesn't work because we are able to produce more with fewer people.

Mr. OSMERS. This is obvious. Would you care to make a short general statement, Mr. Roelofs?

POST-WAR LABOR PROBLEM

Mr. ROELOFS. Yes. I will boil my statement down to this: It isn't a question of a shortage of labor so much as a question of the migration of young people out of our community. We have been pretty largely adjusting our farming conditions to where we need less farm labor. Consequently, we weren't short a few years before the draft, but when the defense program went into effect, a lot of the boys migrated to the airplane factories, and Michigan tank factories and ordnance plants, and we have adjusted ourselves to that. We are getting along without them. There isn't a labor shortage now, but there is a problem we will have to face in the future. These people are going to find when this war is all over, and these defense plants, after going through a transition period, have gone back to producing normal goods, that they are going to be stranded in Michigan during the transition period and maybe not equipped to work in these factories. During that period they are going to come running home and find they have been replaced.

It is going to be intensified because they are going to come home at the same time that the boys from the Army are going to come home.

Mr. OSMERS. You visualize a more severe post-war problem than the present problem?

Mr. ROELOFS. So far as the rural areas are concerned.

Mr. OSMERS. In our hearings around the country, we have found that the difficulties we have now are due to crowding in some of the defense areas, and lack of proper public facilities and housing to care for these people. But it is a comparatively rosy situation because, when the boys leave here and go to California, they are going out there to almost a sure job. When the Oakies went out in '36, '37, and '38, they were going out there with hope but that was about all they had.

Mr. Hodgkin, would you make a short statement?

Mr. HODGKIN. I don't think there has been any farm labor shortage in Nebraska this year. While we have had it, I don't think we have had it enough to result in important damage to the crop. There have been delays, and the farmers have been a little slower getting corn out this fall than otherwise. But they have made the crops that were raised without any serious damage.

It seems to me this more acute problem will come when war is over and the boys come back after the war. What are we going to do with them then? That seems to me the greatest problem. There is a lot of capacity among farm folks for young boys to do things; to trade work more than they have in the past, and work longer hours.

TREND TOWARD MECHANIZATION

Mr. OSMERS. I know and it seems to me like there is going to be a shortage. It will be worse next year than this year, but I am not worried as much about that as what we are going to do when a lot of these folks come back. Do you feel that the present slight shortage, if it continues to grow, will lead to a further mechanization of the

farm? That is, as human labor becomes a less important factor, will it lead to more mechanization?

Mr. HODGKIN. I don't think there is any doubt about that. That is the process anyway. That is the kind of thing that has been going on; I think I mentioned it in my brief. There has been a spurt of inventions in the sugar-beet industry and several new processes that seem almost here may wipe out very largely the hand labor in the sugar-beet industry.

Mr. OSMERS. You have reference to the single-seeding process that eliminates much labor.

Mr. HODGKIN. That is a good example where hand labor can be eliminated by two or three mechanization processes. Wheat raising is so largely mechanical now that it is hard to see how it could be mechanized much more than it has been. By and large that will be true; to what extent it is a little hard to judge.

Mr. OSMERS. What do you think of the future size of American farms? We have had a lot of testimony here; much of it has been to the effect that we should attempt to discourage the large corporate farm. Do you think we are headed in that direction inevitably, or that it is possible to stop that trend?

Mr. RUSSELL. There has been a lot of talk about it, but nothing has been done.

Mr. OSMERS. Do you think it would be desirable? It would be reversing a natural law to put the brake on it.

Mr. RUSSELL. I think in the long run it will be determined by the efficiency and the economy of operation. There is a tendency now, as Mr. Hodgkin properly said, that has stepped up the trend toward mechanization. If you don't have as many people available to hire, and if you have to pay them higher wages, naturally there is a tendency to go into further mechanization, tractor operations, and so forth. Generally, in the Corn Belt, this has meant larger farm units in the long run.

There have been some trends in the opposite direction. This very shortage of labor has tended in some cases to discourage too large an increase at this time. The fellow who is doing the operating wants to be sure; he is going to play "close to his chest." Another thing is that some of the farmers—the land owners I should say—don't care to have the same operator handle too many farms because they don't take as good care of the land and let it run down, if it isn't being used. You have in Iowa homestead-tax exemptions which tend to encourage farm ownership, and you are probably going to have the family-sized unit encouraged more by ownership by the operator than any other one way.

IMPROVEMENT IN TENURE CONDITIONS

Mr. OSMERS. That brings up several things that I wanted to inquire about. One of them was in connection with a statement that you made here. You state that the farm tenant has too little security of tenure, and later on you say: "Improvement in leases, in the relationship between landlord and tenant, and in longer tenure is needed." What improvement in leases did you have in mind there?

Mr. RUSSELL. There are a number of things. I will try not to go into too much detail. We have a law in Iowa that requires that unless the lease is canceled by the 1st of November, it is automatically renewed for the ensuing year. The fiscal farm year starts as of March 1. The Farm Tenancy Committee which Mr. Hawley headed and which some of the rest of us were members of, made a

recommendation for a somewhat earlier conclusion date, also to encourage improvement of the soils, such as seeding it down. The soil conservation program encourages that to some extent.

It gives an incentive to the tenant to make improvements by knowing either that he is going to stay on the farm and have an opportunity to get the benefit, or else be compensated for it.

Mr. OSMERS. You say—

The Government, although attempting to alleviate tenure conditions and help tenants through certain agencies, has refused to recognize the farm tenant when it comes to acquiring of land.

Mr. RUSSELL. I could not add very much to what was said by Mr. Stall or Mr. Newlin. That is the situation I referred to.

Mr. OSMERS. That was the situation when the Government acquired land for defense.

Mr. RUSSELL. Oh, yes. If I may, I would like to insert "acquiring land for defense." That was an oversight, if I did not say that.

Mr. OSMERS. You make an interesting proposal with respect to the graduated land tax. There may be some merit in that idea.

Mr. RUSSELL. I don't make the proposal, I refer to it as having been made and discuss it at some length. A lot of people own five or ten or fifty or a thousand acres. My idea was to think of the size of the operating unit rather than the volume of total holdings.

Mr. OSMERS. You would reduce it to terms of farm units rather than ownership. An insurance company might have lots of land but all of it might be operated in 50-acre farms.

Mr. RUSSELL. This principle might apply there in homestead exemption taxes.

Mr. OSMERS. Now you say there is considerable agitation in Iowa for the breaking down of these large units. You say that no one seems to know just how it should be accomplished. Do you have any suggestions as to how it ought to be done?

Mr. RUSSELL. No, I don't think I will tackle that at this time. I have just mentioned it. As to the ownership of large tracts of land by insurance companies, we have been doing something about that. Give your tenant the kind of income he had for the last year or two, and he will take care of that himself.

DECREASE IN RELIEF LOAD

Mr. OSMERS. You give some interesting figures in connection with the operation of the W. P. A. in Iowa and you state that the load has dropped from 36,000 a year ago to 14,000 today. Has that been due to the policy in Washington where we have curtailed appropriations to W. P. A. or is it the result of increased employment in Iowa?

Mr. RUSSELL. Increased employment almost entirely. There have been some cases in which projects have been dropped in rural areas, but in most cases it is because they are no longer required there.

Mr. OSMERS. You say that at the moment there is no real shortage from a State-wide standpoint?

Mr. RUSSELL. Not at the present time for farm labor, but unless steps are taken to remedy the situation there may be a shortage in the next year or so.

Mr. OSMERS. What steps do you suggest be taken?

Mr. RUSSELL. In the first place, if we have been expending only 15 or 17 percent of our industrial output for defense, and we are going to switch into high, by the middle of next year, there will be a greatly increased competition for the amount of labor avail-

able. One of the steps I had in mind has never been tried, but I am suggesting that it has enough merit to require some looking into and some trial. This would be to point a way toward private employment for people on W. P. A., N. Y. A., and C. C. C., and the so-called emergency agencies—I don't know just how long an emergency is—to get them into private employment. The average age of the W. P. A. worker in Iowa now is 47.8 years and it has become increasingly high. Your younger workers are being absorbed in private employment. They are a little more mobile and flexible than your older men who are not finding jobs. I am referring to W. P. A. now. But if you have those agencies providing a certain amount of security to some of these people, it does have a tendency to prohibit them from going into private employment.

TRAINING FOR FARM LABOR

I suggest that we try to train these people in the skills that might be picked up rather easily if they have a liking and a background for agricultural employment. I dignify the job of a farm laborer. We have always said, "Most any bum can work on a farm." Well, I think, we want to get away from that psychology. I might cite my own case. I was a tenant farmer. I thought I was a good farmer. But I would find if I were to return to the farm that I could not run a tractor or a corn binder or a combine because I have not been actively engaged in farming since those things have come to the farm. So I presume I would be a candidate for a farm hand to take this farm training that I am recommending for W. P. A. workers.

Mr. OSMERS. I think that the Government has missed great opportunities ever since they created these emergency bureaus, N. Y. A. and W. P. A. and C. C. C., by not providing training for these people. It would have been invaluable in this defense effort.

Mr. RUSSELL. I am in thorough accord with Dr. Schultz' suggestion in regard to some of the responsibilities of the farmer and his obligation to provide adequate housing and many such things for his hired workers. I think we are going to have to work out a method for making this possible. I don't want to depend on Mr. La Guardia's recruiting to go out and harvest the crop. I think we ought to do it ourselves. The farmer is too apt to say: "I don't want anybody from W. P. A., he is no good."

Mr. OSMERS. I detected a paradox in your statements on that subject. While you state that farmers claim that they do not want nor can they use most of the men now on W. P. A., you also state: "Farmers feel that both W. P. A. and N. Y. A. are providing competition with them for available farm jobs."

Mr. RUSSELL. I think the paradox there isn't entirely my paradox. I am not assuming the farmer would take everybody on W. P. A. or that they would make good on a farm, only those with a liking for it and some experience and background. You would be surprised how many of these people who have been forced on W. P. A. are former tenants who have been forced off the land and have had to go to town. I am assuming we might give them a somewhat better opportunity so that they might enjoy a better status than they have now.

SOCIAL SECURITY FOR THE FARMER

Mr. OSMERS. Do you recommend bringing farm labor under the Social Security Act? Would you care to express a direct opinion on that?

Mr. RUSSELL. No; I don't have any conclusion. I think there are some things involved there. I am merely reiterating the suggestion. If you are going to saddle some of the cost onto the farmer-employer, you might well investigate a little further whether he is going to have adequate income to meet these additional costs, and I think you might find out whether the public is willing to pay higher prices for food if you add to the production cost. I don't know what the answer is. You might as well deal the cards face up on the table.

Mr. OSMERS. A lot will depend, as you say, on which element of the population stands the increased cost. It will depend whether the public will stand for it, or the farmer will stand for it. Studying farm income, I don't think farm income has been sufficient to stand the burden of taxation necessary to put social security in force.

Mr. RUSSELL. I cited that as one of the factors that might lead to greater security. I assume that neither the consumer nor the farmer would feel the burden greatly in a year like this, but we may not have a year like this next year, or soon again. We may come back to the days we don't like to think about, faster than we would like.

Mr. OSMERS. Mr. Hodgkin, I wonder if you would discuss for the committee, just briefly, some of your ideas with respect to the chemurgic industry in the farm areas?

Mr. HODGKIN. I don't think anybody has any very fixed ideas about chemurgy.

Mr. OSMERS. To nail it down to a starting point, what do you think of the movement of the Nebraska Legislature to appropriate \$25,000?

Mr. HODGKIN. We all hope it is a good thing. We know that some fundamental circumstances in Nebraska are more favorable to industry than before. We have electric power available in the State that we did not have 40 or 60 years ago; we have roads that permit distribution of products in less than carload lots; and we have favorable living conditions and that sort of thing. So some of the fundamental conditions in industry are more favorable than they were.

But if we have industries in Nebraska, they will have to be fairly closely related to agriculture. Grain milling and sugar-beet processing are two of our biggest industries.

FROZEN FOOD BUSINESS

Mr. OSMERS. What about the future of the frozen food business? Would that become an industry of any consequence in Nebraska?

Mr. HODGKIN. I don't know much about that particular thing, but I think it is being developed pretty rapidly by commercial industry now.

Mr. OSMERS. I believe that we are on the threshold of a vastly increased use of frozen foods because more and more people are finding that frozen foods are far better than many fresh foods that you buy over the counter. It may replace the canning industry. Those areas that get into it are probably going to be important. It is like Michigan in the automobile industry. They started the industry there, and Michigan is now the leader in the automobile industry. Now, in my State, they are freezing millions of dollars worth of food.

Mr. HODGKIN. In our State we don't have a great lot of commercial foods or vegetables. We do have some in the chemurgic project that has been set up here. They attempted to freeze some products, but it isn't a big enough thing for any large scale research such as the Federal Laboratory in Peoria.

CHEMURGIC PROJECT

In the chemurgic project they are trying to do something not done by anybody else and it has proved valuable to a large number of people in the State. The project is broken into four parts: One is under the title of "General Service." Some of the manufacturers in the State use light steel and the problem is, can we help them find a plastic raw material instead of steel? Then one is an agronomic study of a lot of new crops that are known to have some commercial industrial possibilities, such as the castor bean. The third point is the study of nonpoisonous insecticides. The story is that arsenate of lead used for long periods poisons the soil and has a detrimental effect. The first part is worked with fermentations and starch making, and research will be done chiefly with sorghum and barley instead of corn, because corn is being worked on at Peoria.

Mr. OSMERS. I notice in your statement that you agree with Congressman Curtis in his dissent to the committee report with respect to a federalized employment service. Do you care to enlarge upon that a little?

Mr. HODGKIN. I was thinking about the farm labor problem of Nebraska. My knowledge of the problem doesn't go much beyond our own State. Since you can't have all the money you want to do everything, some things are not going to be done—maybe those are the things that are more important. In Nebraska the development of irrigation and of industry is a more valuable way to use money than for a big employment service. They say that ill news travels fast and I imagine good news does too. If there are jobs somewhere, with the radio and all those things, it seems to me that a lot of people ought to find work.

Mr. OSMERS. Not to debate the question, there has been a great deal of evidence given to this committee all over the United States that erroneous and misleading information regarding employment has been put out by the radio and the newspapers, and without any malice aforethought it had led to a great deal of needless migration in the United States. I think it can be carried too far.

Mr. HODGKIN. Before you mentioned the malice aforethought, I was thinking of the handbills in *The Grapes of Wrath*. That was with malice aforethought.

VALUE OF AGRICULTURAL EXTENSION SERVICE

Mr. OSMERS. Would you care to extend your remarks on the matter of the Agricultural Extension Service? You look upon it, apparently, as a stepchild of the present program?

Mr. HODGKIN. Of course, in my work as a farm writer, I am on close terms with all of the Federal agencies in the farm field. I put in that point about the Extension Service, as you no doubt know, because we lost \$50,000, or one-sixth of the Federal money, for the extension program because of our loss of population. The Extension Service being a pre-New Deal set-up, doesn't seem to have the funds to work with that the New Deal agencies have. And here is the one reason I mention that point. In the past few years in Nebraska, because of the drought, everyone—businessmen, professional people, as well as farmers—have awakened to the necessity and importance of agriculture more than ever before. You have the Extension Service, like a missionary agency, saying, "This would be a good thing." But it stops there. It has no club to hold over people's heads.

Now we have the commercial people, the businessmen, the commercial organizations, all united in cooperation to encourage good farming and spread the gospel of good farm practice, and right when the Agricultural Extension Service seems to be needed most, it seems to be having the hardest time to get along.

Mr. OSMERS. Mr. Roelofs, what effect does the migration of young people have upon the community life of Iowa?

MIGRATION OF YOUTH

Mr. ROELOFS. Considerable, I think. Rural Iowa is changing its whole complexion. It has larger unit farms. We have lost an awful lot of our young people. Many of these are the boys who went off to college and never came back. They went into industry, possibly because we taught them that agriculture was not a dignified profession. We have had lots of our best farmers leave us.

Mr. OSMERS. Where did they go, Mr. Roelofs?

Mr. ROELOFS. We have a peculiar situation in Sioux County. The people there are practically all Hollanders and they go to their own people when they leave. They have been going quite largely to Grand Rapids, Mich., and Holland, Mich. Instead of going into any old city that has an industry, they will head for Grand Rapids.

Mr. OSMERS. Were they farm owners or tenants?

Mr. ROELOFS. Mostly tenants, and I have several in mind who moved out because they could not get a farm.

Mr. OSMERS. What were their ages?

Mr. ROELOFS. The younger men were about 20. Most of these would be single boys who never started farming. Those who have been tenants are up to 40 or older. I know some who went into the dairy business in California. They settled in Los Angeles County, and built up a business. The Hollanders, from Iowa I think, practically run the dairy industry in Los Angeles County.

Mr. OSMERS. Is it your opinion that when this emergency is over, these people are going to come back?

Mr. ROELOFS. They will not come back from Grand Rapids, but we have some who went into the airplane industry who will probably come back.

Mr. OSMERS. Will they come back if California refuses to give them relief after the war?

RETURN OF MIGRANTS

Mr. ROELOFS. I figure it this way: A lot of them are people who are going to be thrown out of work when the manufacture of munitions ceases. When these people are laid off, and they don't know where their next job is coming from, they are going to make a bee line back to the town they came from, partly because they won't be able to establish residence in California and Michigan for relief. I am afraid Michigan and California are going to have a tremendous relief load.

Mr. OSMERS. Are these people farm-minded?

Mr. ROELOFS. Yes. I think the majority of the boys that I know would go into farming if they had an opportunity to start. A lot of them have gone away and sought employment because the wages were in terms of 83 cents an hour, instead of \$35 or \$40 a month, but in case of unemployment they are going to come back to the farm country to their folks and relatives.

Mr. OSMERS. Would you venture to make a proposal to the committee as to some preparation which the Federal Government should make at this time, to receive them back on the land after it is all over?

Mr. ROELOFS. Well, the idea that Mr. Hawley proposed is very common in this part of the country. We would like to see farm units of smaller size and see the young fellows given an opportunity to buy a farm.

Mr. OSMERS. What size farm do you have in mind?

Mr. ROELOFS. A farm of a quarter section.

Mr. OSMERS. What is the average price for a farm of that character?

Mr. ROELOFS. It has been going up rapidly, but land in Sioux County is worth about \$100 an acre or slightly less. So a 160-acre farm would be a \$16,000 proposition.

Mr. OSMERS. And in most instances should these people have to make a down payment?

Mr. ROELOFS. If we were going to take the picture as a social question, I would say they should not have to make a down payment if it is a long-term rehabilitation program. If it is a question of giving our people something to do and having a way of earning a living, we could afford to omit the down payment.

Mr. OSMERS. In our F. H. A. projects in New Jersey millions of dollars of building have made home ownership available to people who could not obtain similar quarters under \$6,000. In these projects they have required a 10-percent down payment.

Do you see any great disadvantage in instituting a system of that character in farming areas, with the possible elimination of the down payment, or perhaps considering the first year's income as a down payment before the man would get his deed to the land? Is that feasible?

Mr. ROELOFS. Yes; I think so. The basis of the transaction is the real property itself. Nobody could possibly lose.

Mr. OSMERS. It had been demonstrated in the last two or three generations that farm real estate depends on farm income, but if there isn't any income, no system works, whether it is Government financed or insurance financed.

Mr. ROELOFS. Like the gentleman here today, I think the Iowa farmer would insist that we keep our farm program with the parity loans. Then we shall not have a situation after this war such as we had after the previous war.

Mr. OSMERS. We hope we are not going to, but I still think we ought to use the word "hope" because it is not yet founded on sound Government policy but on the hope that we will have it. We hope that we will be able to work out some policy. But do you anticipate any permanent industrial increase in these States through the Middle West as a result of the defense program? Were you here this morning when the man from the Glenn L. Martin plant was here? That is a wholly Government-owned plant, and at the end of the war I assume that the Martin people will put their hats on and go back to Baltimore, and the Government will own the plant in Omaha that has been employing fifteen or twenty thousand people. They anticipate 8,000, but they will probably double that program.

What is going to happen to those people? Are they going back to the farm, or will somebody operate that plant to make shoes out of cowhide?

Mr. ROELOFS. We would like to see some of the industry decentralized, so that they can use up some of our surplus labor.

RESIDENCE RESTRICTIONS

I have another point I would like to make entirely aside from what has been said here. Somebody asked this afternoon, if Iowa requires a 2-year residence for a person who has moved out to reestablish his residence. We have a more sinister system in Iowa than that. I think that the Congress in Washington should be aware of what we are doing here. If a man moves into the State of Iowa, we insist that he cannot establish residence. When these defense workers get back here, and we have adjusted our farming conditions by the use of machinery, to do without them, we are going to tell our deputy sheriffs that these hundreds of people coming back into the State are not to be permitted to reestablish residence in the State. We have that practice in operation now and that is how these people are to be prevented from moving in and requiring a tremendous relief problem after the war is over.

Mr. CURTIS. At one of our previous hearings,¹ one of our witnesses incorporated one of those notices in his testimony.

Mr. ROELOFS. We have used this repeatedly not only to prevent people from moving across county lines, but also to prevent people from getting into the State.

Mr. CURTIS. In the Supreme Court decision that came out Monday,² Mr. Tolan appeared in person and argued the case before the United States Supreme Court. It involves the right of a State to prevent American citizens from other States to enter into it.

I will address one question to Mr. Hodgkin. It is in reference to the Extension Service. For the record, would you enumerate what particular activities you mean by that term, including 4-H club work.

WORK OF EXTENSION SERVICE

Mr. HODGKIN. It is the field activities program of the Department of Agriculture, and 4-H club work, while a big part and the part we hear most about, is not the most important part at all. I think the program of educational work with adult farm men and adult farm women in Omaha is the finest example in the State of Nebraska of what the Extension Service is doing. It is called the "Pasture, Forage, Livestock Program."

Mr. CURTIS. It is my firm belief that the work of the Department of Agriculture, through the Extension Service, the 4-H Club work, and all their related activities in the pasture, forage, livestock program is returning a greater value for dollar expended than any other type of farm activity in the area where there is not very much rainfall. I believe that they are accepting the drought as a reality and really helping people to overcome it and live in spite of it.

Mr. HODGKIN. That is true. It seems to me that this migration is a problem we have now, and will continue to have in the future. Meanwhile, in Nebraska, which is a semiarid State, we are also going to have these moisture problems, so we must develop irrigation and moisture conservation and soil conservation programs and make things as stable as we can, and make Nebraska as desirable as pos-

¹ See Lincoln Hearings, pp. 1691-1698.

² November 24, 1941. Part 25 of these hearings will contain the story of the so-called "Edward's Case."

sible for these migrants to come back to. Another thing that seems important to me is to develop some industry that would take up part of the slack when some of these defense workers begin to come back.

Mr. RUSSELL. I wish to comment on the suggestion that Mr. Hawley made and Mr. Roelofs reinforced. While I agree with the principle raised that we should certainly do anything possible to increase the security and make possible home ownership for our people, possibly operating on a smaller scale than now, but I don't think we should kid ourselves that just by making it easier to own farms we are going to be able to absorb all of the migration from the areas of the Middle West back on the land again. We must look and should look to industry to provide employment for a great many boys that are growing up on farms. I hope we can keep some of the smart ones on the land. I think we need them, but unless we turn our agriculture upside down and go to subsistence farms, which I am not advocating, we are not going to be able to absorb them. Some of them may come back because a farm is a better place to be, in time of depression, than anywhere else, but even then all you may do is displace another tenant and not relieve the situation in the long run. There may be some sections elsewhere in the United States where a man can make a living on a 60- or 80-acre instead of on a 160-acre farm, but before we look to that as an entire solution we had better let Dr. Schultz ask the land-grant colleges to do a little research and see if that is the answer. I think it is a little visionary to say now that it is the answer.

Mr. CURTIS. There are many factors involved and no one thing is going to solve it.

Mr. RUSSELL. There is some good land in these particular areas, but if you compare your birth rates, and so forth, you will see that some of the farm boys will have to go into industry if we are going to continue to farm efficiently and produce more crops with fewer people, as Dr. Schultz has said that we are doing.

Mr. NEWLIN. I have been a 4-H leader for 5 years, and I have just one thing to say: "If you want to educate the family, get after the kids."

Mr. CURTIS. I want to take this opportunity to say that we regret that we can spend only 1 day here, but, after all, we have a job in Washington awaiting us. Thank you very much.

Mr. TIPTON. Mr. Chairman, in addition to the statements already introduced into the record, we have several additional statements from persons who were not able to testify, and I should like to place them in the record.

The CHAIRMAN. We shall be glad to have these statements in our record. They will be printed following the testimony we have received.

(The committee adjourned to meet at St. Louis, Mo., on Wednesday, November 26, 1941.)

EXHIBIT 1.—STATEMENT BY NATIONAL YOUTH ADMINISTRATION, FEDERAL SECURITY AGENCY, WASHINGTON, D. C., DECEMBER 17, 1941**EXHIBITS****YOUTH AND MIGRATION IN NEBRASKA**

Prepared by the Division of Finance and Statistics from data furnished us by Mr. Theodore Eslick, State Youth Administrator for the State of Iowa; Miss Gladys J. Shamp, State Youth Administrator for the State of Nebraska; and from data collected in the national office.

PAST TRENDS IN MIGRATION

Youth are the most mobile group in the population, and always form a substantial portion of the stream of migration. Youth in Nebraska have been no exception to this general pattern. Migration of youth from Nebraska during the past decade has been a large contributing factor in the 4.5 percent decline in the total Nebraska population. In a State which has had a high rate of natural increase for some time, this indicates that considerable migration has taken place during the 10-year period 1930 to 1940. Emigration from Nebraska is not new. For instance, in 1930 more than 450,000 persons who were born in Nebraska were found to be living in other States. In preceding decades, however, entrants to the State more than made up for those who left, and it was not until the period 1930-40 that an actual decrease in the population occurred. The migration of youth was of great importance in this decrease.

The Nebraska youth population in 1940 totaled 257,000—43,000 below the 300,000 it would have totaled had natural increase proceeded and no migration taken place. This 257,000 represents a decrease of more than 8 percent in the youth population since 1930. Undoubtedly far more than this 43,000 left the State during the 10-year period. However, some immigration occurred since 1930, particularly in the early years of the depression with its back-to-the-land movement.

Within the next few years it is expected that, unless the past migration trends continue, the youth population will substantially increase. By 1945, the natural increase would result in a total of 279,147—or 22,431 more than in 1940. Thus either a greatly improved employment situation must be brought about, or these youth must of necessity continue to migrate.

DEFENSE MIGRATION

It has been thought by many that improving farm and business conditions due to the defense effort would check the migration of youth from Nebraska. The evidence available at the present date, however, does not point to this conclusion. As late as the middle of 1941 employment opportunities for youth in Nebraska were relatively few, particularly in the rural areas, and wages were low in comparison with other sections of the country. Consequently, youth continued the long-time trend of setting out for other more industrial regions in search of jobs. The lack of defense industry in Nebraska has resulted in some of Nebraska's youth migrating to other sections of the country, particularly to California, Washington, and other aircraft and manufacturing centers. Only recently has nonagricultural employment for youth been on the up-grade in this State, and the increase that has been felt has been the indirect result of defense spending rather than the more rapid improvement brought about by direct defense employment.

The National Youth Administration field staff in Nebraska interviewed numerous community leaders and personnel officers in various sections of the State, from whom information concerning the migration of youth from Nebraska was obtained. The great majority of migrants were boys, going either to defense centers or to military service. About 6,000 young men have been drafted since last November, and about 2,000 more have enlisted. A number of girls received civil-service appointments outside the State, but they comprised a comparatively small proportion of the total recent youth migration. As nearly as could be determined, the major portion of the migrants obtained employment at their destination, a great number having had positive assurances before they migrated.

Towns and cities, particularly the former, have contributed more heavily to the recent youth migration from Nebraska than have the farms. This is probably because of the more favorable farm conditions this summer and because of the greater availability of some type of preparatory training for industrial work open to the urban youth. The type of vocational training available to farm youth does not operate to their advantage in seeking defense employment. Indirect evidence from Work Projects Administration studies in various defense centers indicates that persons from farms encounter the greatest difficulty in finding jobs in defense industry. In Wichita, Kans., for instance, workers who migrated from the open country had an unemployment rate about five times that of migrants from large cities. Moreover, many farm youth who are now anxious to get defense employment are interested in it chiefly as a temporary measure. A number of National Youth Administration representatives have found that farm youth are planning to return to the farm after the emergency, a factor which will be of considerable importance in post-defense economic adjustments.

Of late, youth migration to other States to take defense jobs has slowed up somewhat, many youth preferring to wait for the increased job opportunities anticipated with the beginning of defense work in Nebraska. It is expected that the defense employment picture will be changed considerably after the opening of the Martin bomber plant at Omaha, and a shell-loading plant near Wahoo. The former company has been awarded an Army contract for \$166,000,000, which will have a decided effect on employment as soon as operations get under way. To date, Office of Production Management estimates that plant expansion to total about \$14,000,000, largely from public funds, has been approved for Nebraska. Although these amounts are small compared to other States, the influx of these moneys will do much to alter the youth employment situation in the State.

EMPLOYMENT OPPORTUNITIES AND MIGRATION

Neither the rural nor the urban employment situation in Nebraska was an encouraging one for youth during the thirties. Dust and drought drove out many farmers, and the youth who remained in the State with their families had little to look forward to. The private employment opportunities for them were frequently intermittent and at low wages. In urban areas employment opportunities were scarce, and although the close of the decade witnessed better conditions than were prevalent during the height of the depression, in 1940 employment prospects were considerably fewer than they had been in 1930. Despite the heavy migration from the State during the past decade, there were still upwards of 75,000 persons in Nebraska who were unemployed or on public emergency programs in 1940.

Although in 1940, 14 out of every 100 workers in Nebraska were without jobs, and 4 more were working without pay in agriculture, labor market conditions have improved somewhat during the past year, and more particularly during the last 6 months. For a brief time during the summer the demand for farm labor was very high, but even so it is reported that the anticipated great shortage of labor did not occur. What shortages there were were easily handled through a somewhat raised pay rate, increased use of family labor, and further mechanization. During the winter months, however, the supply of agricultural workers exceeds the demand by nearly 30 percent, and seasonal unemployment is the result. Both the wheat and the corn labor peaks which bring the greatest demand for seasonal labor are now passed. As a result there is a large reservoir of youth labor in the agricultural areas which can be mobilized for work in defense provided the requisite training is supplied. Such a transfer of youth from farming to defense work probably could be effected without too seriously affecting the agricultural labor supply.

One of the major factors causing the migration of youth in Nebraska is the fact that Nebraska farms, on the average, utilize substantially less hired labor than do farms throughout the country. This, coupled with a yearly cash wage which is 20 percent below the admittedly low average for the country, does not make the prospect of employment as hired labor in agriculture an encouraging one for Nebraska youth. Because of the threatened labor shortages in the summer months wages were somewhat increased in 1941, but with winter unemployment an almost absolute certainty for hired workers, it is inevitable that youth should seek employment elsewhere. At the present time defense work offers the major opportunity, particularly for boys.

Many Nebraska youths would prefer becoming full-time farm owners and operators to any other permanent occupation. To this end, much fine vocational training is being supplied now by the State, particularly in the agricultural

schools. The number of youths who will be able to have farms of their own, however, is small in proportion to the number who are yearly coming of age on the farms. Exact information on this point is not available for Nebraska, but in Warren County, Iowa, where the agricultural situation is not too different, a recent study indicated that 3 out of 5 youths who are now coming of age and would like to have farms will not be able to own and operate one. Only 40 percent of the need for farms is being filled by retirement of older farmers. Nor can subdividing be looked upon as a solution. The number of farms in Nebraska is now smaller than at any other time since the turn of the century, and, conversely, there has been a trend toward larger farms. Mechanization, which gained great strides after the last war, is much more feasible on the larger farms; hence, a reversal of this trend cannot be anticipated.

Of the youths in Nebraska who at the present time are operating farms, only 5 percent are full owners, another 3 percent are part owners, and the remaining 92 percent are tenant farmers. This situation is much less favorable for Nebraska youth than that prevailing throughout the country as a whole, where 17 percent of the youth farm operators are full owners. It would appear that a considerable number of the 14,000 farm youths estimated as employed as unpaid family workers will have little opportunity to change their status. Nebraska farms are also heavily mortgaged, considerably more than farms on the average in the United States. The combination of all these factors does not present an encouraging picture for the youth in the rural areas of the State.

Exactly how the farm situation will be altered due to defense stimulation and the present plans of Secretary of Agriculture Wickard for increased farm production in 1942 and 1943 cannot be stated with any degree of precision at the present time. There will probably not be much shift in wheat production in the immediate future, though changes in the more eastern corn-producing sections of the State are expected to increase the seasonal need for agricultural labor. Increased prices, stimulated by the defense situation, will undoubtedly offer an incentive to some youths to remain on farms rather than seek employment in defense industry. However, the largest reservoirs of youth labor will still be found in the rural areas.

Urban areas in Nebraska have not suffered the population losses which have occurred in the farm regions during the past decade. The long periods of drought and low farm prices not only brought on a great exodus of people from the State, but also caused a shift from rural to urban areas within the State. Although the State as a whole lost population between 1930 and 1940, the urban places gained about 6 percent in population during the decade. There were losses in some of the small towns, but metropolitan Omaha increased to 241,333 population. This represents an increase of 4.6 percent in the city proper, and 36.8 percent in the suburban area. These increases were larger than the natural increase of the population, and represent migration into the area. Thus it appears that while the depression undoubtedly hit the urban areas hard, the economic situation was probably more promising in the cities than it was in the rural areas. At the present time there is still a reservoir of unemployed in the urban areas, but the rising demand for labor, particularly in the Omaha region, has greatly improved the economic prospects for youth in the Nebraska cities. In the past, industry has not bulked large in the total employment situation in Nebraska. In 1940 all industries in Nebraska employed only about 23,000 persons in industrial occupations, or 5 percent of the State's workers. The principal manufacturing industries in Nebraska have been meat packing, printing and publishing, baking, flour milling, and butter production, in order of importance. Much of this has been centered in Omaha, particularly the meat packing. Employment opportunities in this industry, which employed about 5,300 workers, or almost a fourth of the industrial workers in the State in 1939, has until recently remained fairly constant. At present, however, the Cudahy plant at Omaha is planning to increase its personnel by 900. At this time there are also increased opportunities for employment in retail trade, which employs about 14,000 in Omaha. However, much of these increased opportunities are due to the customary seasonal demand for such workers.

DEFENSE EMPLOYMENT OPPORTUNITIES IN NEBRASKA

Until recently there has been little or no upswing in nonagricultural employment opportunities for youth in Nebraska. At the present time, however, defense contracts totaling about \$170,000,000 have been awarded for defense work in Nebraska. The major portion of this, \$166,000,000, will be spent in the execution of Army contracts at the Martin bomber plant in Omaha.

The awarding of these contracts has materially changed the employment prospects for youth and can, if utilized, remove some of the forces impelling youth to

migrate out of the State. Reports indicate that in the next few months at least 11,000 additional workers will be added in the Omaha area, a total almost equal to the number of industrial workers in the entire State prior to defense.

Most of the additional defense employment will be concentrated in the Omaha area where the Martin bomber plant anticipates employing 17,000 workers when in full production. The Omaha steel works plans to hire about 300 additional workers by July 1942, while the Union Pacific Railway will also be needing workers. The Cudahy meat canning plant is soon to go on a 24-hour basis and will add some 900 additional semiskilled and unskilled male workers, most of them under 25 years of age.

Of the 17,000 workers to be employed in the Martin plant, only about 500 will be women. These will be employed in office work only, and no difficulty is anticipated in filling these jobs.

The nature of the demand for male workers, on the other hand, indicates that there will be a considerable shortage of skilled workers and of administrative and technical personnel. Only 60 administrative applicants are registered in the employment service in this area, compared with an estimated need of 2,500 such workers in the Martin plant alone. The shortage of skilled workers in the area is almost as severe. Although the Martin plant anticipates hiring 3,000 skilled workers, there were only 1,200 applicants for skilled work at the employment service in the area, and of these, about half are considered unqualified for the work or otherwise unavailable because of health, old age, etc.

Although the employers prefer to use local labor, it is expected that the shortage will compel them to bring in workers from the outside, since the time is too short for training the local labor for available administrative, skilled, and technical jobs.

The bulk of the additional jobs will be in the semiskilled and unskilled categories. The Martin plant anticipates using 6,000 semiskilled and 5,000 unskilled workers when in full production. Although there is a sufficient reserve of unemployed workers in the area to meet this demand, many will require training before they can be utilized in the bomber plant. Since there are no age restrictions in hiring, it is expected that a large number of young and inexperienced workers will be hired provided the youth have some defense training. At the present time, about 525 workers in the Omaha area are receiving intensive training courses, of whom 325 are on National Youth Administration defense projects.

The number receiving training in the area, however, falls far short of the number needed by the plant. Thus it becomes apparent that, unless additional training can be put through very rapidly, the large number of potential workers available within the State will not be able to benefit to any great extent by the improved employment conditions. In the past the industrial training available to Nebraska youth, either through actual employment or special training, has been very limited. This has been particularly true in the rural areas from which so much migration has taken place. Thus the youth in the State who are anxious to take their place in defense industry are unable to do so because of their lack of the necessary skills. Though the plants which will soon swing into full operations prefer to use labor from Nebraska, they will be forced to bring in numerous workers.

The supply of defense workers in Nebraska is further limited by the competition for local skilled workers by defense industries outside the State. California and Kansas aircraft industries, for example, have been recruiting skilled workers in the Omaha area.

Unless youth in Nebraska can get the training required to fit them for defense work within the State, they will undoubtedly continue to migrate in the hope of securing jobs elsewhere. Minimizing the migration of inadequately trained workers, however, will be a definite gain to the defense program, and every effort should be expended to see that adequate training be made available to the thousands of potential youth workers throughout the State who need such training. It is probable that insufficient time and funds will prevent a completely adequate handling of the present employment situation in Nebraska; and migration, both to and from the State, will probably continue. The present needs, however, are just an indication of the needs of the future, and if the defense program is to move forward as it must, steps should be taken at the present time to train available workers to fill these needs.

Defense training is now being made available to Nebraska youth through a number of agencies the chief of these being the local school system, the Office of Education, the Civilian Conservation Corps, and the National Youth Administration.

DEFENSE TRAINING

At the present time there are two high schools in the Omaha area which are operating day trade classes, and it is estimated that by running 24-hour shifts about 400 persons can secure training from this source. There are vocational training opportunities available to youth in connection with the consolidated high schools, which are distributed throughout the State, but the major portion of the training given is directed toward work in agriculture or home economics, and very little is of such a nature as to prepare youth adequately for work in defense plants. About 4,000 youth in Nebraska are being given some type of agricultural training, compared to a total of about 500 boys who are receiving vocational education in trade or industry. These figures include youth who are getting training on a part-time basis, as well as those on full time. Much of the curricula in these trade training centers, however, is devoted to such skills as printing and carpentry which do not have direct application in the defense plants now going up in the area.

The training now being given to youth to prepare them for defense work is largely concentrated in the Omaha region, and the facilities are much too limited to fill the demand for trained workers. It will facilitate meeting this demand if training courses are established in other parts of the State to prepare those who are migrating into the Omaha region. Some training of this type can be accomplished through the school system, but the present set-up of the State school system, largely dependent upon local property tax returns, is not one to facilitate rapid expansion of defense training for youth. If the work is to be done adequately it will undoubtedly be necessary to expand Federal training programs. It must be remembered that if our defense effort continues to expand according to present plans, a much larger number of qualified workers will be needed in the future than is indicated by the present plans of specific companies in the State. The youth in the rural regions will be the best source for such workers, provided proper training is made available in time.

The Office of Education is conducting courses in vocational training for rural and nonrural out-of-school youth in various States. Information as to exactly how many are now being trained in Nebraska is not available at present but by March of 1941, only 974 youth 17 to 25 years of age in Nebraska had been able to take advantage of these courses. It is estimated that about 88 percent of these were rural youth. Much of the training has been of such a nature as to be useful in farm work, with emphasis on farm mechanics. This training, however, is also undoubtedly of some use to those youth who migrate to find defense jobs.

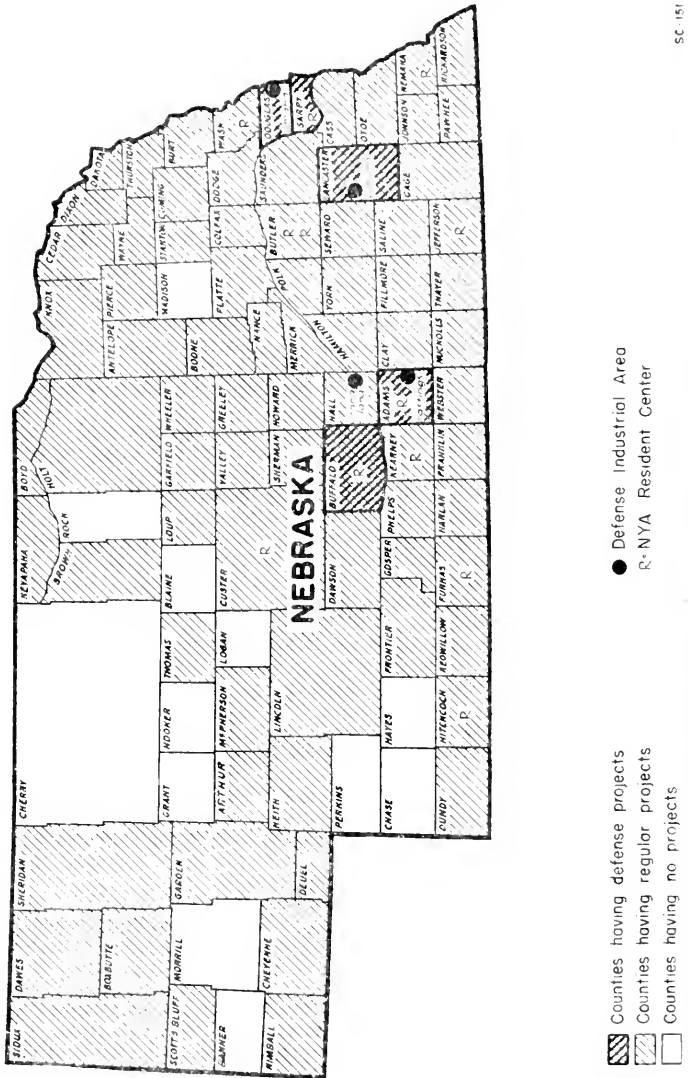
The Civilian Conservation Corps has shops scattered around the country which are providing direct training for youth who want to go into defense industries. The number of youth from Nebraska who are receiving such training, however, is not known at the present time. In addition to this type of training, the Civilian Conservation Corps is providing workers for assistance on Army cantonments and defense construction.

In an effort to meet present labor demands, and to prepare for future demands, the National Youth Administration is now training 2,591 young persons in Nebraska. These youth are getting work experience on National Youth Administration projects currently operating in 82 of Nebraska's 94 counties. Of the 2,591 youth employed in November, 707 were on special projects of the youth work defense program, acquiring special skills and experience qualifying them for specific defense occupations in which shortages were expected, while 1,884 were on the regular work experience type projects.

Project facilities are provided in all but 12 counties of the State, and 11 resident projects are maintained to make available training opportunities to the less advantaged rural youth. The more populous counties, of course, have many more youth on National Youth Administration projects than do the sparsely populated ones. Defense projects are being operated in 6 counties—Buffalo, Douglas, Kearney, Lancaster, and Sarpy; 2 of these, the ones in Sarpy and Buffalo Counties, are resident projects where 167 youth workers live and work, with deductions made from their earnings for cost of subsistence. The other 4 defense projects provide work and training for 540 youth workers who live at home, giving a total of 707 youth preparing for defense work through National Youth Administration facilities. As shown in the accompanying map, National Youth Administration defense project sites have been conveniently located with respect to defense industrial plant sites. The potential employment demand in the Omaha area is complemented by the location of the largest National Youth Administration defense project in Douglas County, and a resident defense center in adjoining Sarpy County. Similarly, defense-training projects have been located in Hastings and Lincoln, both of which have been awarded contracts for defense work.

To date, limitations of funds have prevented the National Youth Administration training of rural youth in the outlying areas for defense work, with the exception of those who are being trained on the resident projects. In addition to the specific defense training projects, the National Youth Administration has regular projects operating in 82 counties throughout the State. Many rural youth are receiving training and work experience on these projects, and this experience is of great value in fitting them for both farm and industrial jobs. In view of the fact that many of these youth are already migrating, however,

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and in view of the future need for trained workers, an extension of defense-training facilities into the rural areas would greatly aid in the mobilization of workers for national defense.

Most of the National Youth Administration defense training and work experience is concentrated in production activities. The types of experience offered on National Youth Administration defense-production projects varies, but machine

and metal working predominate. Radio and electrical training are also given, as well as pattern making and miscellaneous production such as drafting and map making.

Some indications as to youth migration as well as the subsequent careers of National Youth Administration youth may be derived from the monthly record of separations from the projects. Of the total number of youth who have left National Youth Administration projects in the past 18 months, slightly more than 1,000, or about a tenth, have been known to leave the State. As there are usually a number of youth who leave for unknown reasons, the total number of National Youth Administration youth who have migrated is probably substantially larger.

Of those National Youth Administration youth whose destination in terms of their present work is known, by far the largest proportion went into military service. Voluntary enlistments took 50 percent, and Selective Service another 17 percent. National Youth Administration youth have proportionately contributed more to military service than have youth on the average throughout Nebraska. Because half of the National Youth Administration youth in the State are less than 20 years of age, voluntary enlistment has been a much more important factor than Selective Service among the reasons why youth leave the National Youth Administration projects. About 9 percent of these National Youth Administration youth migrants went directly into defense employment in other States, and another 14 percent went into industry that was not strictly defense. Civil service drew away about 7 percent, and it is probable that most of these jobs were concerned with defense work. Two percent left to fill the need for agricultural workers in other States.

Considering all the youth who have left the National Youth Administration projects in the past 6 months, the group who left to take jobs in private employment, many of them defense jobs, bulked the largest by far. About 50 percent of the youth who have left the Nebraska National Youth Administration program since June 1, 1941, have done so to enter private industry. This is a substantial increase over the preceding year, when about 37 percent left to take private jobs, due undoubtedly to the upswing in employment in the past few months and the development of National Youth Administration programs to train specifically for defense jobs.

Thus, insofar as funds have permitted the National Youth Administration program has been training Nebraska youth to take their place in defense industry. Training for specific defense jobs has been made available to more youth through this source than from any other in the State. The Bureau of Employment Security has found that youth under 25 years of age offer the best source for trainees. They also have been the quickest to be placed, and hence offer the best investment to the national economy in return for the cost of their training.

It is quite evident that the amount of training being given to Nebraska youth falls far short of that necessary even to supply the workers needed in the very immediate future in Omaha. That the need for trained workers in the next year or two is going to be multiplied many times is very evident from the trend of our defense effort today. All the available workers will be needed for defense industries, and if they are to operate efficiently they must be trained before they come on the job. That youth migration to defense industries has been taking place from Nebraska, and that it will continue to take place, is fairly evident at the present time. The Nation today needs trained workers as it has never needed them before. It is probable that in the future increased training for girls will be necessary; very little defense training is now available to them. No source of available workers can afford to be overlooked. The greatest reservoir of potential workers is in the rural areas of our country, and an extension of defense-training facilities into the rural areas would greatly aid in the mobilization of workers for our national defense.

SUMMARY

The economic forces which caused many Nebraska youth, both rural and urban, to migrate from the State during the thirties, have not been sufficiently altered by the defense situation to slow down radically the tendency for Nebraska youth to seek employment opportunities outside the State. In the past the uncertainty of agricultural employment, coupled with low wages even

To date, limitations of funds have prevented the National Youth Administration training of rural youth in the outlying areas for defense work, with the when work was available, did not encourage Nebraska rural youth to remain in the State as hired labor; the opportunities for finding a permanent place in the agricultural economy by owning a farm were even more seriously restricted.

Recently, defense employment opportunities, real or fancied, in other States, have drawn on Nebraska's large youth labor supply. The small amount of industry in Nebraska offered limited prospects for this type of employment, and youth preferred to chance employment out of the State. Youth, though untrained for work in other areas, have continued to migrate. With unemployment rates high for untrained workers, particularly those from rural areas, many have been disappointed in their efforts to secure work. The migration has been, and much still continues to be, undirected and aimless.

With large-scale defense industries in Nebraska just starting operations, the State now needs many of these workers who have been migrating. Some youth, who would ordinarily migrate, are waiting to try to get defense jobs there. The major need, however, is for workers with at least a minimum degree of skill and training. Hence, with a large reservoir of youth labor in the State, particularly in the rural areas, employers are being forced to bring in additional workers from outside the State because adequate training has not been supplied to local workers.

The various defense training agencies are now attempting to cope with the problem, but limited funds have prevented their reaching all but a very small proportion of those needing training. There are many jobs of the semiskilled variety opening up in Omaha, and inexperienced youth will be able to secure employment if the present training facilities can be expanded rapidly. The need is especially great in the rural areas, from which youth continue to migrate even without adequate training.

With the present necessity to push the defense program forward with full speed, it is quite evident that the present specific needs for qualified workers in a particular area are merely an indication of the tremendously larger numbers that will be required in the future. There is a large reservoir of youth in Nebraska, particularly in the more rural areas, who are ready and willing to take part in our defense effort; and it is imperative, if we are not to experience crucial shortages of workers in the future, that the proper training be made available to them.

**EXHIBIT 2.—STATEMENT BY DONALD G. HAY, RURAL SOCIOLOGIST,
BUREAU OF AGRICULTURAL ECONOMICS, UNITED STATES DEPARTMENT
OF AGRICULTURE, LINCOLN, NEBR.**

**RELATIONSHIP OF NATIONAL-DEFENSE ACTIVITY TO MIGRATION IN NEBRASKA AND THE
DAKOTAS**

The national-defense effort is providing an outlet for the generally recognized population pressure of the Midwest. The area is contributing manpower to the increasing armed forces of the Nation, and sending labor to the defense industrial activities. The lack of many industries within the Midwest has generally necessitated migration from the area in order to participate in industrial defense work.

This migration to defense work follows closely the distress migration of the 1930's which was particularly strong in the Dakotas and Nebraska. The improved farm economic and crop conditions of the late thirties and the beginning forties had reduced this distress migration.

The residence distribution of population in Nebraska and the two Dakotas in 1940 (table 1) indicates the predominance of rural population in these States. Rural population, and particularly the farm population, is characterized by a natural increase that is considerably above replacement needs. A desirable adjustment toward more extensive farming in the area calls for fewer farms and fewer farm people. Such an adjustment, together with considerable natural increase of population, calls for economic opportunities outside of agriculture in these States. The reduction in farm population since 1930 has contributed toward the long-time adjustments recommended in a way that will require further adjustments in the future, for the nonfarm population of these States has increased both relatively and absolutely. Both the farm and nonfarm population are dependent upon agriculture; and aside from the development of public-assistance programs, no major nonagricultural sources of income have been developed.

Unless general economic opportunity is maintained in the post-defense period there will probably be a serious problem of population pressure in the Midwest. Reduced employment activity may send defense workers and their families back to areas of limited opportunity, and is even more certain to retard needed migration from such areas.

TABLE 1.—Residence distribution of population of Nebraska, South Dakota, and North Dakota, 1940

Residence	Nebraska		South Dakota		North Dakota	
	Number	Percent	Number	Percent	Number	Percent
Total population.....	1,315,834	100.0	642,961	100.0	641,935	100.0
Urban population.....	514,148	39.1	158,087	24.6	131,923	20.6
Rural population.....	801,686	60.9	484,874	75.4	510,012	79.4
Rural nonfarm.....	305,828	23.2	178,204	27.7	182,514	28.4
Rural farm.....	495,858	37.7	306,670	47.7	327,498	51.0

CHARACTERISTICS OF DEFENSE MIGRATION

Data from reconnaissance labor surveys,¹ seasonal labor demand surveys,² and reports from county and State labor subcommittees of the agricultural planning program during the spring and summer of 1941 indicate the general nature of the recent defense migration from the area.

Farms, villages, and cities are contributing manpower on a general proportional basis to the armed services. The drawing off of farm manpower for industrial defense work apparently began largely in the spring and early summer of 1941. For work in the industrial defense effort, workers are apparently selected carefully as to age and occupational training. Young, single men, with mechanical skills acquired in agricultural work apparently make up the bulk of the farm migrants to defense work. It is probable that the farm families moving to industrial defense work are largely younger operators who are less well established in farming. Young, single men with mechanical training and some skilled experience form a large number of the migrants from villages and cities to defense work. Many family heads, generally younger men, who have been employed in skilled and semiskilled work in the villages and cities, are also migrating to defense industries. This has necessitated that the village and city shops draw on local laborers to replace such migrants.

As in the case of the distress migration of the thirties, migration to defense work apparently includes a large movement to the west coast.

It is probable that the more disadvantaged parts of the Midwest, in respect to educational facilities, are less able to provide laborers who are satisfactory in the industrial defense effort. Usually these areas have comparatively more surplus population. At any rate, the demands upon both rural and urban areas for manpower for the national-defense effort again focuses attention on the need of equalizing the educational training between rural young people and those in urban areas.

Then, there is a definite need of reliable information as to chances for defense employment. Although many use the facilities of the Federal-State Employment Service, there are reports of unsatisfactory movements of people who get their information as to defense opportunities by rumor and personal hearsay.

RESULTS OF DEFENSE MIGRATION

As a result of the migration of younger persons out of the area there will be an increased proportion of the population in the older age group.

An immediate result of the migration of Midwest manpower to other areas has been a reduced supply of laborers for resident work. However, there had been a considerable reservoir of manpower not fully utilized prior to the defense

¹ Counties representative of the corn area: Atchison County, Mo., and Cuming County, Nebr. Counties representative of the spring wheat area: Brown County, S. Dak., and Traill County, N. Dak.

² Five counties in central Nebraska and two counties in southeastern South Dakota.

effort. The area is heavily agricultural, so that farm work will particularly feel the impacts of the out-movement. While there has been occasional local shortages of farm laborers, there has been no evidence of a general lack of laborers in Nebraska and the Dakotas in 1941. The drawing off of manpower to defense activities, both the armed services and defense industrial work, has of course decreased the labor supply, both on farms and in the villages and cities of these States. A further drain upon the available labor supply is in prospect for 1942.

It has been generally reported by county labor subcommittees that apparent shortages of seasonal laborers have tended to increase the use of family labor in the case of small farms, and for further mechanization in the case of larger farms.

Farm mechanization in the small grain area is far advanced. The farm equipment most frequently reported used in recent years is not far behind the most effective farm equipment available.

The estimated hours of man-labor needed to produce a bushel of wheat has decreased about 60 percent in the last 60 years, or from 17 man-hours in 1880 to 7 in 1930.³

Migratory labor has been characteristic of the small-grain harvest work. It has been estimated that a minimum of 100,000 transient laborers were used in the wheat harvest in the 1920's.⁴ The need for these transient laborers in the wheat harvest has rapidly diminished with the increased development and application of efficient mechanical devices. This process of mechanizing the wheat harvest, as typified by the use of the grain combine, is at a more highly developed stage in central and western Kansas than in North Dakota. In 1938 about 90 percent of the wheat acreage in Kansas was combined, whereas only 25 percent of the North Dakota wheat acreage was combined.⁵

It has been estimated that about 25,000 transient laborers obtained work in the North Dakota wheat harvest in 1938. However, it is likely that even with some increase in efficiency in the distribution of farm laborers within the State, there would have been no harvest work for any transient laborers. This was the situation in North Dakota, the leading spring-wheat State, where mechanization, as represented by the combine, was at only a 25-percent stage of development in 1938.

The wheat harvest is still characterized by urgency on the part of the farmers to complete the entire harvesting job within a relatively short time, in order to avoid loss in quantity or quality of the crop. This no doubt is a principal factor in creating employment for any transient laborers, insofar as the North Dakota wheat harvest is concerned.

Labor subcommittees in Nebraska and the Dakotas report increased use in 1941 of the "transient combine." This comparatively new type of harvest arrangement, use of the "transient combine," involves a complete crew and combine which moves as a unit considerable distances to harvest wheat. A common arrangement is for the transient combine to start work in the winter-wheat harvest in June and then move northward with the progress of the harvest. One transient combine operator states that, "On the average, three with the combine can do as much in 1 day as 17 or 18 men would do under the old way of cutting with the binder and threshing."

Difficulty in obtaining new farm machinery, due to defense demands, will slow the purchase of new equipment. However, the actual or feared labor shortages, because of labor migration to defense work, will probably cause farmers to mechanize further whenever possible. This will be particularly true of large-farm operators.

It is probable that any farm-labor shortages will be met in part by increased farm hiring of unemployed and underemployed village residents, greater use of exchange labor and family labor, increased mechanization, increased partnership-owned and operated machines, and more use of the contract machine, including the transient grain combine. These ways of meeting labor shortages will be used principally in wheat and corn areas.

³ Technological Trends and National Policy, National Resources Committee, June 1937.

⁴ Lescohier, Don D. Harvest Labor Problems in the Wheat Belt. U. S. Department of Agriculture Bulletin 1020, 1922.

⁵ Men and Machines in the North Dakota Small Grain Harvest. (Report in progress.)

EXHIBIT 3.—STATEMENT BY THE FARM LOAN DIVISION OF THE METROPOLITAN LIFE INSURANCE CO. IN RESPONSE TO QUESTIONS SUBMITTED

Question 1.

How many acres of farm lands did the Metropolitan Life Insurance Co. hold in Iowa and Nebraska during the period from 1934 to present?

Answer.

The Metropolitan Life Insurance Co. acquired about 2,425 farms in Iowa at an estimated cost of approximately \$42,000,000 and 375 farms at a cost of approximately \$5,000,000 in the State of Nebraska. This land was acquired subsequent to the land inflation period of the early 1920's.

We do not have a break-down of figures showing acreage acquired from January 1, 1934, to date as requested.

Question 2.

How was this land acquired?

Answer.

The land was acquired through foreclosure or by deeds given in lieu of foreclosure.

Question 3.

What were the acreage sales during this period?

Answer.

The Metropolitan has sold approximately 1,500 Iowa farms that it acquired for about \$25,000,000.

We are unable to give acreage figures.

The sales of Nebraska farms have been few, only about 35 for approximately \$300,000. Poor crops in Nebraska due to drought have interfered with Nebraska farmers being able to accumulate sufficient funds with which to make reasonable down payments on the purchase of farms. It is our opinion that Nebraska farms will sell very rapidly with a return of normal weather conditions to that State.

Question 4.

To whom was the land sold? How many acres sold to established land-owners who wished to increase their holding? How many acres were sold to tenants who thus became owners?

Answer.

We estimate that over 90 percent of the Iowa and Nebraska farms sold by the Metropolitan Life Insurance Co. have been sold to farmers or to persons whose principal interest is in farming. Over 70 percent of all farms sold by this company in Iowa during the past 5 years and 10 months have been sold to tenant farmers and former owners.

The following analysis of sales made in Iowa by this company from January 1, 1936, to November 1, 1941, more accurately answers this question.

Sales of Iowa farms—Jan. 1, 1936 to Nov. 1, 1941

	<i>Percent</i>	
To tenant farmers, former owners, or members of their families who generally remained upon the company's properties after foreclosure.....	1, 075	73
To owners of uneconomic units adding to their holdings.....	47	3
To owners of uneconomic units who sold their farm and purchased a more satisfactory operating unit for the family.....	24	1½
Purchases made for members of the family, sons, daughters, fathers, brothers, etc.....	33	2
To residents of villages or cities returning to the farm (usually farmers who had moved to town).....	24	1½
To owners of fair-sized economic units who bought additional land (additional acreage bought usually because of family growing up).....	114	8
All others, some reports incomplete. (Purchasers, men of varied occupations: storekeepers, lawyers, doctors, retired farmers, investors, etc. In some cases no information was reported to us as to occupation and business of purchaser).....	167	11
Total.....	1, 484	100

Our analysis shows that we have sold a surprisingly small acreage of land to established owners who are increasing their holdings to go into large-scale farming.

On the other hand many farmers who own small uneconomic units have purchased additional acreage to give them a farm of more practical size. Usually such farmers have been leasing nearby unimproved acreages. In the same class are farmers who owned a small uneconomic unit which they were successful in selling, and have purchased a farm of more practical size.

Question 5.

What factors do you hold responsible for the increase in land sales between 1939 and 1940 and 1941.

Answer.

Reasonably good prices for farm commodities and average or better than average crops.

Our records indicate very few sales have been made in 1939, 1940, and 1941 in areas where crops were poor.

Question 6.

What provisions were made by the Metropolitan Life Insurance Co. for the cultivation of land not sold to farmers?

Answer.

All farms owned by the Metropolitan Life Insurance Co. are very carefully rehabilitated as to buildings and fences and they are operated with expertly planned crop rotations for the purpose of building up and maintaining the fertility and productiveness of the soil.

Question 7.

What is the policy of the Metropolitan Life Insurance Co. with respect to the sale of land? What are the terms upon which land is sold?

Answer.

The Metropolitan Life Insurance Co. has encouraged and aided tenant farmers to become landowners. A high percentage of its farms have been sold with small down payments as low as 10 percent and in special cases less, to farmers of exceptional ability and good character. Sales are made on an amortized basis and usually purchasers are given 26 years to pay for the property.

Question 8.

In accordance with your experience in Iowa and Nebraska, and your analysis of the sales of land, what is the future outlook for the size of farms in these two States?

Answer.

The Metropolitan Life Insurance Co. has been more successful in selling the smaller farms than it has the larger farms, as indicated by the following figures:

Total Iowa farms acquired containing 200 acres or under.....	1,608
Total number of such farms sold to Nov. 1, 1941.....	1,179
Percentage sold.....	73
Total Iowa farms acquired containing 201 acres or over.....	810
Total number of such farms sold to Nov. 1, 1941.....	269
Percentage sold.....	33½

The family-sized farm ranging from 120 acres to 200 acres, has been most popular from a sales standpoint.

Large farms have been more difficult to sell and often difficult to rent.

The extremely small farms, uneconomic units, it appears, are gradually being absorbed.

The future outlook for the size of Iowa and Nebraska farms, in our opinion, is:

1. The small uneconomic units, particularly farms of 40 acres and less, will probably disappear gradually.

2. We believe the family-sized farm, that is, farms from 120 to 200 acres, will continue to predominate in Iowa, with farms of a slightly larger average acreage in Nebraska. These farms on the whole are well established, highly improved with buildings, are satisfactory economic units, and it is unlikely that any material change in size of such farms will occur in the aggregate.

3. The so-called larger farms are likely to decrease in number, as many of them will be divided into two or more units. This process will probably be slow, but it is evidenced by the fact that at this time an occasional complete new set of buildings is being constructed on unimproved portions of some of the larger farms.

4. Our experience and observation leads us to believe there will be little change in the average size of farms in Iowa and Nebraska in the near future. Many of the smaller uneconomic units will disappear, but on the other hand, some of the larger farms will be divided into two or more farms.

EXHIBIT 4.—STATEMENT BY CHARLES McCUMSEY, PRESIDENT, FEDERAL LAND BANK OF OMAHA

OMAHA, NEBR.,
November 19, 1941.

This statement is prepared for presentation to the committee at its Omaha hearing, the 25th of November, and is organized, as suggested in your letter to me of November 5, around the three following points:

(1) Trend of land sales as shown by comparisons of sales, acquisitions, and inventory this year with the preceding year—supporting material broken down on a State basis and summarized for this district as a whole.

(2) Trend of land prices this year with our evaluation of any present inflationary tendencies, and also of those factors discouraging inflationary increases in land values.

(3) The relationship of these trends, influences, and factors to migration problems and tendencies.

The Federal Land Bank of Omaha serves the States of Iowa, South Dakota, Nebraska, and Wyoming, and our observations and related statistics will be confined to conditions in those four States.

I. TREND OF LAND SALES, ACQUISITIONS, AND INVENTORY

Factual information regarding these trends is given in exhibit A, attached to this statement, the statistics being broken down on a State basis and summarized for the district as a whole.

A. Sales.—Sales made during the first 10 months of 1941 exceed those made during the calendar year of 1940 in all four States of the eighth district except Wyoming. That exception is due to the very limited Wyoming inventory available for sale during 1941.

The sale of 3,810 whole farms and 355 part farms during the first 10 months of 1941 compares with 1,447 whole and 155 part farms during the same period in 1940 and with the sale of 1,781 farms during the full calendar year of 1940.

Much of the increase in farm sales is attributed to an intensified effort to sell land during the current year. Our sales force was doubled in 1941 and sales throughout the year have reflected this increased sales effort.

The increased sales effort appeared justified by improved moisture conditions and the resulting improvement in crop production. Results of such increased efforts were, of course, influenced by greater ability of farmers to buy through increased production and improved price levels for the commodities they had to sell; by renewed faith in their communities as producing areas, and by the realization that farms they might be interested in purchasing were not likely to be available at lower than present prices within the reasonably ascertainable future.

B. Acquisitions.—Total acquisitions, as indicated on exhibit A, were 1,202 farms in 1940 as compared to 899 during the first 10 months of 1941. Due to the lapse of time which occurs between break-down of loans and actual acquirement of the related security, a comparison between foreclosures instituted and voluntary deeds tendered may be more significant statistics in measuring the declining trend in acquirements. During the first 10 months of 1941, 1,513 foreclosures were instituted or deeds accepted, as compared with 2,249 during the same period of the preceding year. It may be of merely incidental interest to note that approximately 60 percent of the acquirements during each of these periods was represented by voluntary deeds rather than through foreclosures instituted.

C. Inventory.—A comparative inventory of farms (including loans called for foreclosure, real estate subject to redemption and owned outright) for the periods being considered is as follows:

Inventory changes

[Number of farms]

	Jan. 1, 1940	Dec. 31, 1940	Change	Oct. 31, 1941	Change
Iowa.....	1,070	635	-435	271	-364
South Dakota.....	5,387	5,014	-373	3,208	-1,809
Nebraska.....	2,783	3,072	289	2,349	-723
Wyoming.....	117	57	-60	39	-18
Total.....	9,357	8,778	-579	5,867	-2,911
Decrease.....					

A break-down by States is reflected on exhibit A.

II. TRENDS OF LAND PRICES IN 1941

The Agricultural Finance Review published by the United States Department of Agriculture, Bureau of Agricultural Economics, in its May 1941 issue gave the following comparison of farm real-estate values in the four States of the Eighth Farm Credit District:

	1912-14	1940	1941
Iowa.....	100	74	75
South Dakota.....	100	45	43
Nebraska.....	100	65	61
Wyoming.....	100	68	71

The 1941 land values given above are as of March 1. Since that date there has been an apparent strengthening of real-estate values in all of our four States listed. A brief discussion of the present market situation in each State follows:

A. Iowa.—Real-estate values here have continued to show improvement throughout 1941 due to better farm income in all parts of the State (note exhibit B), which has increased purchasing power; reduction in inventories of farms available for purchase; a stronger demand for farm homes on the part of tenants and farm owners who wish to enlarge their units, or acquire land for members of their families.

Farms sold by our institution during the first 10 months of this year averaged in Iowa 101.99 percent of the land bank appraisers' previous estimates of recovery or market value.

It should be explained at this point that land-bank appraisers, when appraising a property, arrive at two values—a present market or "recovery" value, and a normal agricultural value. Loans are based against the normal value while acquired farms, of course, are necessarily sold on the basis of existing present market values.

In a recent study made here, covering appraisal consistency as to normal values in north central Iowa and measuring market price changes since 1935, our sample of 100 farms analyzed (actual loans and appraisals) indicated that the average market value attributed by appraisers was 88 percent of the normal value. The normal value had remained practically constant since 1935, but the market value attributed by the appraisers had increased approximately 10 percent. This study covered appraisals late in 1940 and while it is reasonable to expect that the same appraisers might now show a slightly higher market value and a normal value still substantially constant, the point to be made in this present statement is that the sales made in Iowa during 1941, being 101.99 percent of appraisers' market values established largely prior to 1941, were made at prices still below the apparent normal value of the land.

B. South Dakota.—Present land values are still far below normal values as based upon the 1909-14 average. This condition is due in part to the drought and depression period of 1930 to 1939, as well as to the several economic reaction which

followed the previous World War. Although there has been such improvement in the past 2 years, the large number of farms available for sale by the South Dakota Rural Credit Board, as well as by corporate and private owners, has been a sufficiently depressing influence that the market has as yet failed to regain much, if any, of its lost position. Some recent improvement in real-estate values has been noted in the better agricultural counties of the State, but, as a whole, values still remain on a relatively low level. High land taxes are a price-discouraging factor in parts of the State.

There is a greater spread between market or recovery value and normal value as attributed by appraisers to lands in Nebraska and South Dakota than exists in the case of Iowa farms. Sales during 1941 in South Dakota were moreover only 96.48 percent of appraisers' previously established recovery or market values, indicating a much wider latitude between present sales prices and the apparent normal value of the land than is true in the case of Iowa sales.

C. Nebraska.—What has been said of South Dakota is likewise largely true of Nebraska, although taxes are not so important a factor in Nebraska values. Nebraska land prices were further depressed by a disastrous drought which affected a large part of the State in 1940. While values have begun to improve in the extreme east (agricultural) portion of the State, as well as the extreme western part (livestock), in the main real-estate values have not experienced the general improvement experienced in other parts of the United States.

The Nebraska sales in 1941 were at 95.84 percent of the appraisers' recovery or market values.

D. Wyoming.—Due to relatively good crops in the past 2 years in Wyoming, as well as relatively high prices for livestock, real-estate values in Wyoming have shown steady improvements since January 1, 1940. This is reflected in the small Federal land bank inventory now available for sale.

Wyoming sales during 1941 were 112.06 percent of the appraisers' recovery or market values.

D. General.—Exhibit C, attached, is a break-down of sales by States and by type of purchaser. This exhibit brings out the fact that most of the sales in this district have been to tenants and present farm operators.

Exhibit D is attached as a ready reference source of information as to values by counties in the four States comprising this district.

Exhibit E, showing increasing size of farms in each of the four States of the district, is attached because of the trend indicated and the possible effect of that trend on farm population.

E. Factors which may tend to stimulate inflationary values.—With reference to the real-estate situation in this district and particularly to inflationary aspects which may affect the present and future value of real estate, it is believed the following factors have a bearing on the situation:

- (1) Higher farm income from both grain and livestock.
- (2) Returning confidence in the stability of agriculture.
- (3) Speculative war fever. (Not as yet of much influence.)
- (4) Lower interest rates on farm mortgage loans.
- (5) Growing scarcity of farms in better areas.

(6) Greater desire in this period of uncertainty for the safety and security of farm ownership.

F. Factors which may tend to limit inflationary values.—

(1) This generation of land buyers distinctly remembers the disasters which followed the last war boom. Many of them were themselves "badly burned."

(2) Much corporate land in many areas is aggressively seeking private ownership.

(3) A large majority of present-day buyers are acquiring land, not for speculation, but for permanent homes.

(4) Tendency on the part of major lending agencies to follow the example of the Farm Credit Administration and base farm loans on the earning power of the individual farm with "normal" (1909-14 average) prices for the farm's production.

(5) Increased taxes will tend to reduce net farm income and nonfarm income, thereby limiting the amount of surplus cash available for land speculation.

(6) Higher price for labor and materials bought by farmers will reduce the farm's net income.

(7) The various educational programs on the importance of debt reduction may have some restraining influence on values. Not the least of these programs is that of the Farm Credit Administration, including the opportunity now offered land bank borrowers to establish a financial reserve with the bank on which interest will be accrued and credited at the same rate borne by their loans.

III. RELATION OF TRENDS TO MIGRATION PROBLEMS AND TENDENCIES

It would seem proper to use as a background against which to reflect the influence of any present trends the longer time trend of 1930-40 in the matter of movement of agricultural population in this district.

Changes in population of rural and urban areas, 1930-40

Area	Population in 1940	Change 1930-40		
		Gain or loss	Amount	Percent
Iowa:				
Total for State	2,538,268	Gain	67,329	2.7
Total for incorporated places	1,537,631	do	92,039	6.4
Total for farm and unincorporated villages	1,000,637	Loss	24,710	-2.5
South Dakota:				
Total for State	642,961	do	49,888	-7.2
Total for incorporated places	299,106	Gain	22,815	8.2
Total for farm and unincorporated villages	343,861	Loss	72,703	-17.6
Nebraska:				
Total for State	1,315,834	do	62,129	-4.5
Total for incorporated places	777,224	Gain	25,104	3.3
Total for farm and unincorporated villages	538,610	Loss	87,233	-13.9
Wyoming:				
Total for State	250,742	Gain	25,177	11.2
Total for incorporated places	140,390	do	24,898	21.6
Total for farm and unincorporated villages	110,352	do	279	.5

While no figures are available as to the movement of population in this area since January 1, 1941, better crops and commodity prices have, it is believed, materially stabilized rural population.

The fact that such a large number of farm sales are being made to tenants would tend to anchor this portion of the population to the areas involved.

Although there has been an apparent movement of labor population from towns and cities to defense areas, it is felt that this movement does not extend to the same extent to the farming areas except as applied to farm labor, of which there is reported a growing scarcity.

Procedures developed for servicing loans of land bank borrowers who encounter difficulties is a stabilizing influence reflected in part in reduced acquisition of farm properties by the bank. Many borrowers have been carried during the past year by means of a variable payment type of extension under which the borrower is assured tenure for 5 years if he turns over to the bank each year the approximate equivalent of what he would have to pay a landlord were he a tenant.

The entire loaning system of the Farm Credit Administration under which loans are based on normal earning power, with provision for variable payments in time of difficulty, and with incentive provided for creating reserves as "future payment funds" during good times which draw interest at loan rates but which cannot be used for any other purpose than ultimate debt reduction tend to stabilize agriculture on the one hand and to anchor the borrowers to their farms.

Respectfully submitted.

CHAS. McCUMSEY,
President, the Federal Land Bank of Omaha.

EXHIBIT A.—The Federal Land Bank of Omaha—Federal Farm Mortgage Corporation at Omaha—Farms owned or in process of acquirement during selected period

	Iowa	South Dakota	Nebraska	Wyoming	Total
Inventories, Jan. 1, 1940:					
Loans called for foreclosure.....	167	110	945	10	1,232
Real estate owned subject to redemption.....	412	1,066	0	35	1,513
Real estate owned outright.....	491	4,211	1,838	72	6,612
Total.....	1,070	5,387	2,783	117	9,357
Additions during 1940.....	66	507	614	15	1,202
Sales (owned outright) during 1940.....	501 (45)	880 (106)	325 (30)	75 (9)	1,781 (190)
Inventories, Dec. 31, 1940:					
Loans called for foreclosure.....	73	60	504	3	640
Real estate owned subject to redemption.....	108	367	0	7	482
Real estate owned outright.....	454	4,587	2,568	47	7,656
Total.....	635	5,014	3,072	57	8,778
Additions, first 10 months of 1941.....	101	313	471	14	899
Sales (owned outright) first 10 months of 1941.....	405 (26)	2,119 (206)	1,194 (123)	32 (0)	3,810 (355)
Inventories, Oct. 31, 1941:					
Loans called for foreclosure.....	79	91	416	8	594
Real estate owned subject to redemption.....	68	156	0	4	228
Real estate owned outright.....	124	2,961	1,953	27	5,045
Total.....	271	3,208	2,349	39	5,867

Numbers in parentheses represent part sales and are not included in the totals. Charge-offs, redemptions, and loans paid off in foreclosure have been deducted from the additions.

EXHIBIT B.—Cash income from farm marketings and Government payments during the first 8 months of 1939, 1940, and 1941, and during the calendar years 1937-40, inclusive

[Thousands of dollars]

Period	Iowa	South Dakota	Nebraska	Wyoming	District
1941, January to August, inclusive.....	541,013	102,402	188,996	28,719	861,130
1940, January to August, inclusive.....	452,916	86,703	172,848	25,789	738,256
1939, January to August, inclusive.....	407,196	70,695	152,900	22,860	653,651
1940, January to December, inclusive.....	708,226	150,207	277,850	57,167	1,193,450
1939, January to December, inclusive.....	633,554	118,979	240,388	53,074	1,045,995
1938, January to December, inclusive.....	547,611	107,037	203,930	40,255	898,833
1937, January to December, inclusive.....	513,561	98,852	251,910	51,102	915,425

EXHIBIT C.—The Federal Land Bank of Omaha—Federal Farm Mortgage Corporation at Omaha—Types of purchasers acquiring land in 1940 and the first 10 months of 1941

Total sales	State	Owner-operators		Tenants		Investors		Government purchase	
		Number	Percent	Number	Percent	Number	Percent	Number	Percent
	<i>1940</i>								
448	Iowa.....	124	27.76	214	47.74	109	24.30	1	0.20
929	South Dakota.....	329	35.41	414	44.56	176	18.95	10	1.08
377	Nebraska.....	129	34.22	148	39.27	100	26.51	0	0
77	Wyoming.....	37	48.05	22	28.57	16	20.78	2	2.60
1,831	Total.....	619	33.79	798	43.69	401	21.80	13	.72
	<i>First 10 months of 1941</i>								
481	Iowa.....	139	28.89	243	50.52	99	20.59	0	0
2,407	South Dakota.....	847	35.19	1,146	47.61	411	17.07	3	.13
1,404	Nebraska.....	504	35.89	575	40.95	325	23.16	0	0
29	Wyoming.....	15	51.72	9	31.03	5	17.25	0	0
4,321	Total.....	1,505	34.88	1,973	45.66	840	19.39	3	.07

The above statistics are based upon sales-division records. They do not take into consideration cancellations after sale.

EXHIBIT D.—AVERAGE VALUE OF FARM LAND PER ACRE BY COUNTIES, 1930, 1935,
AND 1940

This report consists primarily of presentation in map form of recent census figures of average value of farm land and buildings per acre, by counties.

In the accompanying maps, the figures for each county represent the average value of land and buildings per acre for all farms in the county for 1930, 1935, and 1940, reading in order from bottom to top.

In obtaining these values, the census enumerator asked each farmer for his opinion of the market value of the farm he was operating. The values were obtained from both owner-operators and tenant-operators. In other words, they represent the farmers' ideas of the value of land on April 1 of the year indicated. If owner-operators had a tendency for bias in some direction, it is likely that this has been offset by the ideas of value held by tenants.

The limitations in the use of county averages must be recognized, of course. Within any county there are wide variations in value which are lost in average figures. Averages, therefore, are useful mainly for showing trends and general variations and levels.

REGIONAL DIFFERENCES IN TRENDS OF VALUES

One of the most significant features shown by these maps is the regional differences in trends of value.

With a few scattered exceptions in the range country, every county showed substantial decreases in value from 1930 to 1935. Teton and Fremont Counties, Wyo., and Dewey County, S. Dak., had values in 1935 equal to those in 1930.

From 1935 to 1940, however, virtually a solid block of counties in central, northern, and eastern Iowa shows increases, whereas the rest of the district, with a few exceptions, had further decreases in value. On the Iowa map all counties except two north and east of the line marked had higher average values in 1940 than 1935. The two exceptions are Winneshiek and Davis where the average values remained the same.

In Nebraska values increased from 1935 to 1940 in a few counties where there is a considerable amount of irrigated land or other special circumstances. Increases occurred in Scotts Bluff, Morrill, Grant, and Rock Counties. In a number of other western counties such as Cherry, Sheridan, Dawes, and Sioux, values have been relatively steady in the past 5 years.

Only two counties in South Dakota increased in value since 1935. In Lawrence the mining activities undoubtedly contributed to this trend. In Yankton the shrinkage in values from 1930 to 1935 was so much greater than in adjacent counties that the subsequent increase from 1935 to 1940 may represent a correction of a previous downward movement that was overdone.

Several counties in Wyoming reflect improvement in values since 1935. These are Sublette, Fremont, Hot Springs, Washakie, and Sheridan. Irrigation developments and favorable livestock prices both have contributed to this trend.

On a State-wide basis, values have been maintained since 1935 in Wyoming about as well as in Iowa. This is reflected in the following State indexes of values per acre, prepared by the United States Department of Agriculture (1912-14=100 percent).

	Iowa	South Dakota	Nebraska	Wyoming		Iowa	South Dakota	Nebraska	Wyoming
Mar. 1:					Mar. 1:				
1940	74	45	65	68	1935	67	54	72	62
1939	74	48	68	66	1933	58	55	69	62
1938	74	51	69	66	1930	113	93	113	98
1937	73	54	72	66	1920	213	181	179	176
1936	73	55	73	65					

COMPARATIVE LEVELS OF VALUE

Aside from information regarding trends in value, revealed by these figures, they indicate differences in general levels of values.

Scott County, Iowa, with \$123 had the highest average value per acre of any in the district in 1940, with Douglas County, Nebr., second, and Grundy County,

Iowa, third. The lowest were Harding, S. Dak., and Sweetwater, Wyo., with \$2 per acre.

In Iowa the counties having averages in 1940 of \$100 or more per acre are shaded. Those having averages of \$35 or less also are shaded.

(Research Division, F. C. A. of Omaha, May 15, 1941.)

EXHIBIT E.—EFFECT OF INCREASE IN SIZE OF FARM

Various economic and other forces (mechanization, increase of grassland to control erosion and improve land use, crop acreage control programs, etc.) are operating to increase the size of the farm. The resulting displacement of farms strengthens the demand for the remaining farms.

The extent of the displacement from 1935 to 1940 may be indicated by the following data from the United States census:

Average number of acres per farm

Year	Iowa	South Dakota	Nebraska	Wyoming
1935.....	154.8	445.4	348.9	1,610.4
1940.....	160.1	544.8	391.1	1,866.2

Number of farms

Year	Iowa	South Dakota	Nebraska	Wyoming
1935.....	221,986	83,303	133,616	17,487
1940.....	213,318	72,454	121,062	15,018
Decrease:				
Number.....	8,668	10,849	12,554	2,469
Percent.....	3.9	13.0	9.4	14.1

The total decrease for the four States was 34,540 farms. If this trend continues as it probably will for a few years, there will be further strengthening of demand for the remaining farms.

EXHIBIT 4a.—STATEMENT BY UNITED STATES DEPARTMENT OF AGRICULTURE, FOREST SERVICE, PRAIRIE STATES FORESTRY PROJECT, LINCOLN, NEBR.

TREES AS AN AID IN STABILIZING RURAL POPULATION IN THE GREAT PLAINS REGION

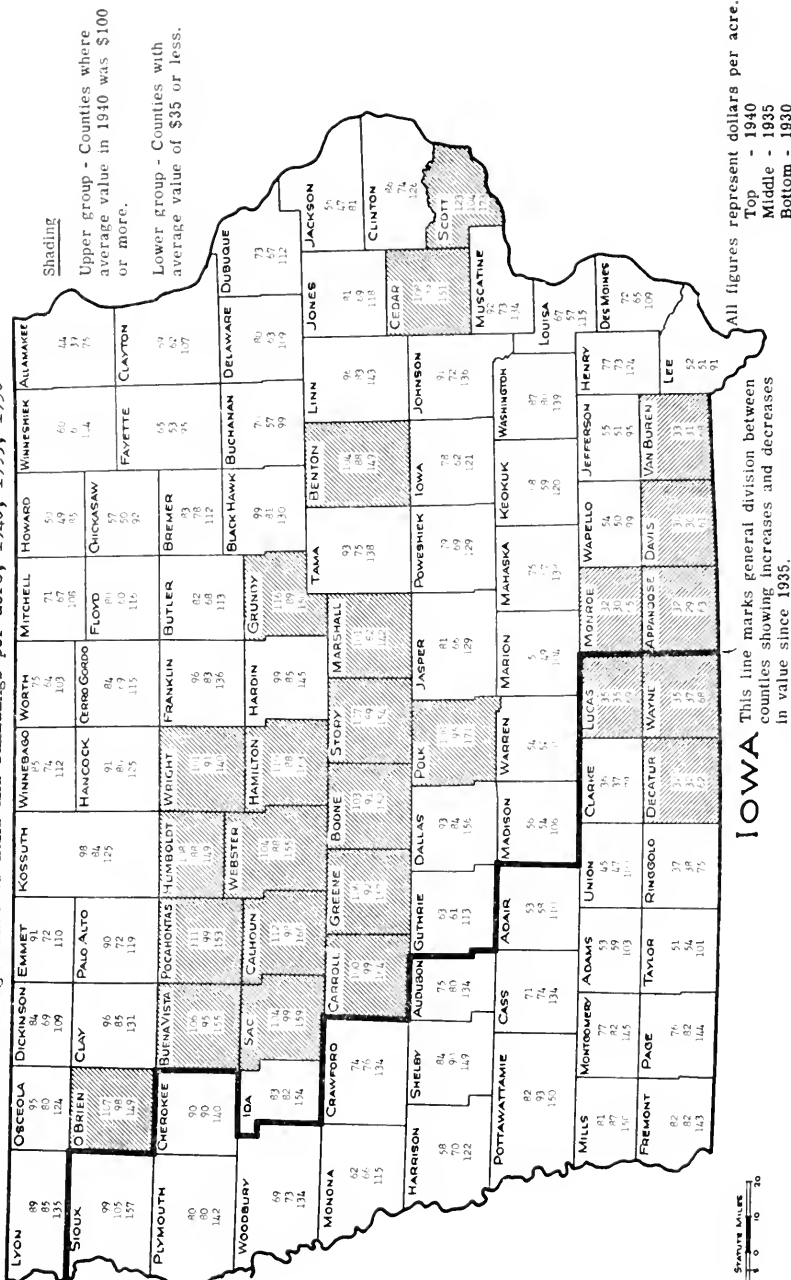
People tend to migrate whenever they become dissatisfied with their lot. The fact that there may be some extraordinary inducement, such as an industrial boom, does not alter the premise—for every participant in a gold rush, there are thousands who are content to remain where they are.

The Great Plains region has long been noted for the fluidity of its rural population. There have been three general types of population movement. First is that represented by the farmer who tries unsuccessfully for perhaps a period of years to make a living from the land, finally gives up in disgust and moves away to some other section of the country to start over again in farming. This type of migration had its greatest expression when the region was first settling up, but it has come to public attention again during the recent drought years.

The second type is represented by that tide which flows and ebbs between town and country in accordance with the rise and fall of economic conditions. The migrants flow to the country during periods of economic depression, where they naturally find only the poorer farms available, and where they eke out a scanty existence until economic improvement beckons them again to industry. This tide, which ran strongly toward the farm during the past several years, is now flowing in the other direction.

The third type is represented by the great mass of tenants who are perpetually moving from place to place within the region in search of farms of better

Average value of land and buildings per acre, 1940, 1935, 1930



productive capacity, or with better living conditions, or both. Needless to say, aside from the human values involved, a migrant farming population is good for neither the agricultural industry nor the land.

The tree-planting program of the Prairie States forestry project, a unit of the United States Forest Service, is designed to improve both the economic and social lot of the Plains farmer; to make of the region a true homeland rather than one merely to be tolerated because it offers a living. There is a great deal of evidence that trees tend to produce that effect. It will be recalled that the early explorers promptly dubbed the Great Plains region "The Great American Desert," a characterization which it carried even in textbooks for a long time. This characterization was based not upon the qualities which are usually associated with deserts—the region supported a most luxuriant flora and a wealth of animal life—but its treelessness, its lack of cover, seemed to those observers to bar it forever as a suitable habitat for civilized man. When population pressure finally forced the pioneers out onto the grassy upland they went with a great deal of reluctance and much foreboding, and the chronicles of the times are full of lament regarding the lack of fuel, house logs, and rails for fencing. But of much greater poignancy was the undercurrent of fear of the naked elements—the sweeping wind, the unchecked sun, the dangerous blizzards of winter. Insanity, especially among women, is said to have reached an alarming peak.

Pioneer settlers on the Plains made heroic efforts to establish trees and did establish a great many. As a matter of fact, the proportion that lived is surprising, considering the difficulties inherent in getting trees to live in this environment. The larger proportion of them failed to survive, however, and by that human quality which finally allows people to develop a tolerance for almost any condition, later generations learned to more or less get along without trees. But they have never become resigned to the lack of them.

To what extent migration of farmers out of the region stems from social considerations, of which trees or the lack of them form an essential part, we have not had any means of checking, but perhaps such migrants are impelled by very much the same sort of reasons as those which cause people to migrate from place to place within the area. There is some quite convincing evidence that trees, or the lack of them, influence not only length of tenure in connection with a given farm, but also the class of tenants which can be obtained. For example:

1. When the Prairie States forestry project first started, a survey was made among farmers in South Dakota and Nebraska to find out what they considered certain kinds of tree plantations to be worth to farms. Since it was desired to break the information down by classes of benefits, farmers who were engaged in record-keeping projects in cooperation with the agricultural colleges were largely selected and a lot of good information was collected on the economic side. But in addition to that was the generally expressed opinion that a farm with trees on it is more desirable merely from the standpoint of physical and mental comfort.

2. Land banks and other lending agencies, who own or have control of a great many farms in the region, almost universally recognize the part which trees play in improving the desirability of Great Plains farms. They are ready subscribers to the shelterbelt planting idea, and most of them require their tenants to care for belts planted in cooperation with this project. A survey among such companies revealed that they have a very definite conception of the value of trees in improving the value of the property for leasing or sale purposes.

3. The Farm Security Administration a couple of years ago circularized some of their loan clients regarding the value of trees to farms, and received an almost 100-percent response to the effect that trees improve the value of such farms.

4. A survey conducted in Nebraska by means of a questionnaire to shelterbelt cooperators, solely to determine the effect of shelterbelts on wildlife populations, yielded in addition a large amount of entirely voluntary comment upon the value of the trees to the farm in general.

5. Occasionally, of late, advertisements offering farms for sale have listed, among the assets, shelterbelts recently planted on the land; and local banks and other businesses, interested in the stabilization of the agricultural industry and population, generally endorse tree-planting programs.

The shelterbelt-planting program.—The shelterbelt-planting program of the Forest Service was started in 1934, when the combination of a great drought

and bad economic conditions brought to the attention of the country the seriousness of the agricultural situation in the Plains. Actually, the conditions which the program was expected to help correct had been building up for a long time and were merely brought to a head by this unusual combination of circumstances.

The project is on a cooperative basis, the Government and the farmer sharing in the cost. The program was set up in the Dakotas, Nebraska, Kansas, Oklahoma, and northwest Texas, and a planting program has been carried on every year beginning in the spring of 1935. The following tabulation shows the work that has so far been done. These figures represent the total planting work which has been done, minus those plantations which have failed and been removed from the record.

State	Miles of shelterbelts	Number of farms served	Number of trees used
North Dakota.....	2,096.13	3,169	30,478,775
South Dakota.....	2,867.25	5,251	36,381,659
Nebraska.....	3,697.75	6,170	39,870,980
Kansas.....	2,960.88	4,943	34,134,641
Oklahoma.....	2,788.75	4,750	27,291,234
Texas.....	1,693.87	2,092	19,748,219
Project total.....	16,104.63	26,375	187,905,508

Among the benefits derived from planted trees on the Plains are the prevention of wind erosion, a very serious problem, especially in the areas of light-textured soil, and the blowing out of young crops and newly planted seed. Windbreaks also reduce evaporation from the soil and transpiration from vegetation, thus conserving soil moisture and protecting crops from the withering effects of hot winds. They reduce livestock losses due to exposure and reduce the amount of feed required during the winter. They protect buildings and equipment from damage and deterioration, and reduce the amount of fuel required to heat the home.

Trees, whether in shelterbelts, farmstead windbreaks, or wood lots, yield a continuing supply of wood products, such as fuel and fencing material, which are needed on every farm and the purchase of which is a constant drain on the farmer's income. Such products also find a ready market throughout the region and they have the outstanding advantage that, unlike other crops, they need not be harvested at any specific time and thus are like money in the bank. Many a Plains farmer was tided over the depression by the wood he could cut from the trees planted on the place a generation before, or the posts he could harvest from his Osageorange hedge.

Trees and shrubs produce a suitable environment for wildlife, largely lacking on the Plains since removal of the original cover. The environment for insectivorous perching birds—very valuable to Plains agriculture—is vastly improved, and the plantations also furnish a haven for game birds. Even deer and smaller mammals are beginning to use the shelterbelts as runways to escape the confines of their present river-bottom ranges.

Adequate tree protection tends to encourage greater diversification in farming, and of particular importance is the fact that windbreaks permit the growing of farm gardens, home orchards, and fruit patches. Plains farms are notably lacking in these vital self-subsistence elements, and the reason is that on the prairie uplands it is almost impossible to grow vegetables and fruits without adequate shelter from the winds.

And then, of course, there are the purely aesthetic values of trees in a normally treeless environment. They are really enormous and have a profound influence upon the degree of contentment and, hence, of stability of the farm family. A farmstead exposed to the broiling suns of summer and the howling blizzards of winter is not a comfortable environment, and the barren rural school, often without windows in the north and west sides to compensate for the lack of protection against winter winds, must place a fearful handicap upon education. Even the rural cemetery, marked in the distance by its white gravestones against the brown earth instead of by a grove of trees, must produce at least a subconscious desire on the part of the Plains dweller to leave his bones in a more sheltered spot.

Many radical political philosophies have had their birth in the Plains country and they have probably stemmed from physical and spiritual discomfort as well as from economic vicissitudes. Many a Plains farmer has pulled up and left because he was burned out mentally as much as starved out physically, and not improbably lack of trees had something to do with it. It seems to have ever been so. As far back as 1880 the Kansas Horticultural Society said in its annual report, "Those settlers who planted shelterbelts and groves are fixtures on their land, while those who never planted trees have pulled up stakes and gone elsewhere."

EXHIBIT 5.—STATEMENT BY UNITED STATES DEPARTMENT OF AGRICULTURE, SOIL CONSERVATION SERVICE, LINCOLN, NEBR., DECEMBER 2, 1941

Hon. JOHN H. TOLAN,

*Chairman, House Committee Investigating National
Defense Migration, House of Representatives.*

Subject: Migration of families to defense areas.

DEAR MR. TOLAN: Immediately upon receipt of your communication of October 15 transmitted to Dr. H. H. Bennett, Chief, Soil Conservation Service, and relayed to this office by Mr. D. S. Myer, Acting Chief, covering effect of migration of families to defense areas we prepared and forwarded inquiries to personnel in the five States in this region. Not knowing on what particular subjects the committee might desire information we requested that data be assembled and returned by November 5 on five questions which to us seemed pertinent. Copies of these are attached.

It has occurred to us that since the material we assembled was not presented at the hearings in Hastings or Omaha, that you might like this data for your files. Accordingly, we are transmitting copies of our letters from Montana, North Dakota, South Dakota, and Wyoming that have been prepared in response to the inquiries from this office. Information from Nebraska has not been included as we assume that this State was amply covered in the hearings.

Question 4 perhaps needs some explanation. This was prompted because of several cases in North Dakota and Montana of farmers with better than average mechanical ability, some of whom were on relief and who did not have the wherewithal to get to defense areas but whose families would be greatly benefited through employment in defense activity if they could be given help to reach defense plants. The answers to this question brought out considerable difference of opinion.

Should you have any questions concerning any information submitted herewith we will appreciate your informing us.

Sincerely yours,

A. E. JONES,

(For A. E. McClymonds, Regional Conservator.)

MILES CITY, MONT., October 30, 1941.

Mr. E. H. AICHER,

*Chief, Regional Institutional Adjustments Division,
Soil Conservation Service, Lincoln Nebr.*

Subject: Migration of families to defense areas.

DEAR MR. AICHER: Reference is made to your request for information as to the effect of the national-defense program on the migration of families, and I will attempt to answer your questions in the same numerical order as they appear in your request.

1. Considerable migration has taken place. What records are available indicate the age group to be 30 to 45 years.

2. Not to any extent. A limited amount of county help, but nearly all are family assisted.

3. Yes. Any effort to assist misfit young farmers is worth while. Although they may not be permanently located in national defense, they would undoubtedly be better qualified to make a living when they return to their home area.

4. In our more densely populated areas a limited amount of money should aid in the solution of the family relocation and tenure problems. There is little, if any, need for such a program in Custer County.

5. Definitely. There is very little defense spending in Montana, with a consequent migration due to higher wages in defense work.

A few words of explanation may clarify the situation as it exists in southeastern Montana. Located in Miles City is a Work Projects Administration vocational training school which is sponsored by the Montana State Board of Education. Three courses are taught: Welding, auto mechanics, and drafting. These courses are open to all people in the State. However, practically all students are from the 15 southeastern Montana counties. The referrals must come through the Montana State Employment Service and an investigation is made as to their former experience, and a consistent effort is made to make these more or less refresher courses, but exceptions are made. To date they have turned out 96 trained people, 40 of whom have secured employment within the defense industries. They are endeavoring to maintain contact with all, but have been unable to do so. There are 60 in training at the present time. This age group is approximately 30 to 45 years. This school unquestionably cares for many of our farm cases. In discussing this with the Work Projects Administration representative today he thought that the majority of cases came to the Work Projects Administration from the rural areas.

There is considerable concern manifested by the agricultural defense committee in Custer County relative to the migration of skilled and unskilled labor to defense work. It is the primary thought that we must keep enough skilled and unskilled labor to meet the local needs to insure maximum production of agricultural products, as requested by the Secretary of Agriculture. There has been some labor shortage during this season, and there will be a greater shortage next year. Exemption of farm boys from the Selective Service System should be given careful consideration, and this same consideration should be extended to our permanent agricultural workers, if we are to maintain the high standard of production requested. This is some deviation from the questions asked, but I hope that it clarifies our collective thinking.

Very truly yours,

LYLE R. DARROW,
District Conservationist.

ROUNDUP, MONT.,
November 1, 1941.

Mr. E. H. AICHER,
*Chief, Regional Institutional Adjustments Division,
Soil Conservation Service, Lincoln, Nebr.*

Subject: Migration of families to defense areas.

DEAR MR. AICHER: Reference is made to your recent request for information pertinent to migration of people as a result of the national-defense program. The following report is submitted as a result of contacting the National Youth Administration office, Montana Employment Service, Extension Service, Farm Security Administration, and observations made in traveling through our project area in Musselshell, Petroleum, and Fergus Counties.

According to information submitted by the National Youth Administration office here at Roundup, 19 boys have been sent to Helena, Mont., to the National Youth Administration defense training school being held there. A part of these boys have now completed their training and are on the job in defense industries on the west coast. A defense project located at Roundup, one of three in the State, has from 16 to 20 boys enrolled who are receiving defense training. Of the number being trained under the National Youth Administration program, approximately 25 percent are rural boys, the balance being from Roundup and Klein.

The Work Projects Administration trainee program, according to the local State reemployment office, has 5 men on defense jobs at present, 12 in training, and 2 additional approved for training. The Work Projects Administration school is likewise located at Helena, Mont. The local State employment office offers the following additional information: Nine miners from Roundup have gone to Butte; 2 Roundup youths have passed the Lockheed test and are eligible for employment by that industry; 1 plumber has gone to Alaska; 1 painter and 1 powder man and 4 carpenters to the west coast to work in defense industries. Six families have left Roundup to different areas carrying on defense activities on the possibility of getting work. Ten families have come to Roundup to work in the mines as a result of increased activity from the defense program.

As far as can be determined, only one rural family in Musselshell County is leaving to take part in national defense; none from Petroleum; and approximately six in Fergus County.

From a casual observation in other towns in our area, it would seem a like shift in population, on a smaller scale depending on population, is taking place as in Roundup. However, for the most part, very little shift is being made by rural people to take part in defense industries.

Reference is made to specific questions raised by Mr. Aicher:

1. If such migration has taken place, was it among the younger group or the middle aged? Applying this question to rural people, it has applied to the middle aged and over, group; namely, tool makers and other skilled workers. Hence, very few young people are so qualified, especially those in rural areas.

2. Has any effort been made to help mechanically minded rural people to get to national defense production areas? No effort that we know of except as broadcast over the radio and in newspapers for needs of skilled workers.

3. Should an effort be made to assist misfit young farmers who are mechanically minded to get located in national-defense work? It would seem that there are possibilities along this line. However, as above-mentioned, in those instances where rural families have left to take part in defense industries they have been mechanically inclined and have had previous experience in the line of work they are going to do.

4. If funds were made available to help get certain rural mechanically minded folks to national-defense areas would it help solve some of our family relocation and tenure problems and at the same time assist the family to a better living? It is doubtful if much could be hoped for in this connection. For the most part the problem of family relocation has to do with older people. In most instances these people are too old to learn a new trade. The young people are being given this encouragement and opportunity through Government-sponsored programs and by private industry in some instances.

5. Has the lack of defense production plants in this region had a bearing on the number of migrants from our rural areas to defense industrial areas? It likely has to this extent: Migration has been confined to skilled workers. Were defense industrial areas located in this region there would possibly be more demand for unskilled labor.

In conclusion it would seem that migration has been confined mostly to skilled labor and these people were located in urban areas. Those skilled in mechanics who are residing in rural areas know of the possibilities and have gone to industrial centers or are going, or have had the opportunity to go.

The so-called misfits in agriculture would likely be misfits in industry, even though they qualified as to age and were trained.

Very truly yours,

CURTIS J. SPALDING,
District Conservationist.

DEPARTMENT OF AGRICULTURE,
SOIL CONSERVATION SERVICE,
Chinook, Mont., November 6, 1941.

Mr. E. H. AICHER,
*Chief, Regional Institutional Adjustments Division,
Soil Conservation Service, Lincoln, Nebr.*

DEAR SIR: In answer to Mr. Anderson's request concerning migration of families to defense areas, I find the following information for Blaine County:

1. The migration which has taken place was from the younger group. About six families from rural areas have moved.

2. The only effort that has been made to help mechanically minded rural people to get into national defense work has been the Work Projects Administration and National Youth Administration schools at Helena. Seven Work Projects Administration men have gone to this school and to the present date 18 National Youth Administration youths have gotten into the defense industry by this route.

3. The opinion seems to be that this type of assistance is sufficient to take care of those who wish to get into defense industry.

4. Opinion seems to be that there are sufficient local opportunities for farm families that no special effort need be made other than what already is being done by the Employment Service.

5. Lack of defense production plants in the area seem to have little bearing on the migration from the area. Those who have desired to get in defense industry have done so. The remainder have had sufficient opportunities at home that they are not interested in moving from the area.

Trusting that this will give you the desired information, I remain,

Very truly yours,

FRED A. MALLON, *Work Unit Leader.*

TERRY, MONT., *October 29, 1941.*

E. H. AICHER,

*Chief, Regional Institutional Adjustment Division,
Lincoln, Nebr.*

Subject: Migration of families to defense areas.

DEAR MR. AICHER: In reply to Mr. O. Leon Anderson's memorandum of October 28, 1941, which requested us to prepare what information we could regarding the migration of families to defense areas, we have prepared the following:

1. The younger people are migrating as it is easier for them to leave. The older people own property and have other ties that keep them here.

2. No financial aid has been given to any of these persons. Approximately 32 persons have completed or will complete training in the National Defense Training School in Miles City from this area. At the present time there are about 125 men working on Work Projects Administration on the reclamation project here in Prairie County. This is probably one reason why the older men have not left the area. It is estimated that between 25 and 30 young men have left the area for defense jobs without any assistance or training.

3. An effort should be made to help young misfit farmers who are mechanically minded, to get into defense work, but it does not apply to Prairie County.

4. It would not help in Prairie County as no problem exists.

5. Yes. The lack of defense plants in this area has been the reason why the young men have gone to the west coast. The reclamation project is a defense project but it employs only Work Projects Administration labor.

The above information was obtained from the county agent and the National Reemployment Office and such information that was available at the Land Utilization Division here at Terry, Mont.

The land-utilization program has taken nearly all the misfit families there were in the area and they are resettled in other areas where they are not misfits.

Yours very truly,

C. MAX HUGHES, *Work Unit Leader.*

 PLENTYWOOD, MONT., *November 3, 1941.*

Mr. E. H. AICHER,

*Chief, Regional Institutional Adjustments Division,
Soil Conservation Service, Lincoln, Nebr.*

Subject: Migration of families to defense areas.

DEAR MR. AICHER: In response to a letter from Mr. O. Leon Anderson, area conservationist, under date of October 28, I am submitting the following information for soil-conservation district MT-SCD-1, which includes all of Sheridan County:

1. If such migration has taken place, was it among the younger group or the middle aged? Answer. It is estimated that between 100 and 200 men have left the county to take work in defense production. A large percent of these men would be classified in the younger group.

2. Has any effort been made to help mechanically minded rural people to get to national-defense production areas? Answer. No.

3. Should an effort be made to assist misfit young farmers who are mechanically minded, to get located in national-defense work? Answer. No; any young farmers who are mechanically minded are needed here as practically all farming is by power operation.

4. If funds were made available to help get certain rural mechanically minded folks to national-defense areas would it help solve some of our family relocation and tenure problems and at the same time assist the family to a better living? Answer. Yes; if one considers all population in the county as rural.

5. Has the lack of defense production plants in this region had a bearing on the number of migrants from our rural areas to defense industrial areas? Answer. Yes.

Very truly yours,

W. H. DAVIS, Jr., *Work Unit Leader.*

BISMARCK, N. DAK., November 3, 1941.

Mr. E. H. AICHER,

*Chief, Regional Institutional Adjustments Division,
Soil Conservation Service, Lincoln, Nebr.*

Subject: Migration of families to defense areas.

DEAR MR. AICHER: This will acknowledge receipt of your letter of October 24, addressed to State coordinators and area conservationists, in regard to the above-mentioned subject.

This matter was discussed with Area Conservationist Lloyd and it was decided that one reply would answer for both offices. Information was also received from the State employment bureau and as a result I wish to make the following answers to your questions.

1. If such migration has taken place, was it among the younger group or the middle-aged?

A. Two of the larger industries engaged in defense production contacted the State employment service requesting that they assist in an effort to secure a large number of mechanically minded young men who were physically fit and citizens of the United States and who would accept employment with their firms. The Dupont Co. and the Lockheed Airplane Manufacturing Co., as a result of this, secured approximately 975 young men who left the State to accept employment. About 150 left for employment with the Dupont people. These were all the younger group, of which 55 percent were from farm families. In addition to this it was estimated that approximately 1,000 others had left the State seeking employment in the defense industries without being contacted by the State employment service. Of this latter group, 95 percent were from the younger class of farm boys.

2. Has any effort been made to help mechanically minded rural people to get to national-defense production areas?

A. The only concerted effort that we know of that has taken place in this State, was through the State and Federal employment services.

3. Should an effort be made to assist misfit young farmers who are mechanically minded, to get located in national-defense work?

A. It is our opinion that an effort should be made, if it is not too costly.

4. If funds were made available to help get certain rural mechanically minded folks to national-defense areas would it help solve some of our family relocation and tenure problems and at the same time assist the family to a better living?

A. Yes. If this were done, it would naturally assist in solving some of the family relocation and tenure problems.

5. Has the lack of defense production plants in this region had a bearing on the number of migrants from our rural areas to defense industrial areas?

A. The fact that we have no production plants in the State of North Dakota has limited the number of migrants to defense industrial areas due to the fact that many do not care to take a chance of spending the money necessary to travel to an industrial center at a great distance and then run the risk of not finding employment. Had there been defense production plants located in the State, a greater number of the young men from farm families would have taken a chance on applying for jobs near home where the expense incurred to apply for a position would not have been so great.

Hoping that this is the information you wish, I am,

Very truly yours,

A. D. MCKINNON, *State Coordinator.*

BROOKINGS, S. DAK., November 8, 1941.

Mr. E. H. AICHER,

*Chief, Regional Institutional Adjustments Division,
Soil Conservation Service, Lincoln, Nebr.*

Subject: Migration of families to defense areas.

DEAR MR. AICHER: Upon receipt of your letter of October 24 we made a survey of all the operating units in South Dakota to get answers for the five questions you listed in connection with migration of families to defense areas. Following is a summary of the answer received:

1. If such migration has taken place, was it among the younger group or the middle aged?

The majority of younger people, probably 18 to 25 years of age, have migrated. One area reported 12 in one community; another area reported one-fifth as many going in defense activities as in the draft.

2. Has any effort been made to help mechanically minded rural people to get to national-defense production areas?

Four areas replied no special activities had been carried on. Eleven other areas reported efforts have been made by reemployment offices, American Legion, Veterans of Foreign Wars, local training schools in vocational and agricultural high schools, Work Projects Administration State training schools at Aberdeen, Brookings, and Vermillion, State social-security set-up, and by representatives of companies making inquiries. Civil service announcements of examinations have been given considerable publicity.

3. Should an effort be made to assist misfit young farmers who are mechanically minded to get located in national-defense work?

All answered "Yes," but most with some qualifications such as training should be given before leaving. They are needed at home because of labor shortage. The most capable have already left farms and to determine mis-fits would be a more difficult job.

4. If funds were made available to help get certain rural mechanically minded folks to national defense areas would it help solve some of our family relocation and tenure problems and at the same time assist the family to a better living?

There is a divided opinion on this question. The majority feel that this would be helpful. Statements are made, however, such as, "This is only temporary." "Not especially." "This would make opportunities for better management." "All available are needed at home because of present depletion." "There is need for mechanically minded folks in agriculture to remain here." "Wages may appear attractive but some who have left have returned." "Even with lower wages at home standards of living are higher."

5. Has the lack of defense production plants in this region had a bearing on the number of migrants from our rural areas to defense industrial areas?

Unanimous answer is "Yes."

The general summary would indicate there has been considerable migration, especially of younger people, that there are agencies established in the State which have done considerable work and are in a position to help those who are mechanically inclined to get into defense areas. Opportunities have been set up for training and that training before they go to defense areas is desirable. Probably the greatest migration has already taken place in some communities to the extent that there is a labor shortage. This condition may only be temporary and agriculture may have a more difficult situation confronting it when this present emergency is over.

We hope this information reaches you in time for the summary you are making.

Yours truly,

ROSS D. DAVIES, *State Coordinator.*

RAPID CITY, S. DAK., November 4, 1941.

Mr. E. H. AICHER,

*Chief, Regional Institutional Adjustments Division,
Soil Conservation Service, Lincoln, Nebr.*

Subject: Migration of families to defense areas.

DEAR MR. AICHER: I have discussed this topic with several individuals, including a secretary for the selective service. My answer to your questions are as follows:

1. Migration has taken place among all ages. In Pennington County, 3,100 men are registered for draft under selective service. Of this number, approximately 450 men between the ages of 21 and 35 have submitted changes of address. Most of them are migrating to the west coast to work in shipyards and airplane factories.

2. No effort has been made to help mechanically minded rural people to secure work in national-defense industries.

3. It is the opinion of those I have interviewed that mechanically minded farmers who have not as yet secured employment in defense industries do not have enough ambition to be worth-while employees in these industries, and should production be curtailed they would become charges of the community in which they reside. Farm machinery, crops, and livestock prices are all high. Any

farmer who has an ambition to change his occupation has either done so or does not care to do so.

4. I believe this question is virtually answered in No. 3.

5. No doubt the lack of defense production plants in this region has a bearing on the number of men who left their respective communities to work in other areas.

Very truly yours,

H. F. TAGGE, *Area Conservationist.*

CASPER, WYO., *November 4, 1941.*

To: Mr. E. H. Aicher, Chief, Regional Institutional Adjustments Division.

From: Thomas E. Doughty, area conservationist.

Subject: Migration of families to defense areas.

Your memorandum of October 24 has been a subject for a portion of our recent staff meeting. In reply to the five questions you have raised in this memorandum we report the following:

1. Some migration among the younger group of people has taken place in this area. This migration has been to Denver, Colo., and to the west coast.

2. We feel that some effort has been made to help mechanically minded rural people get to national defense production areas. This effort has been in the form of suggestions.

3. It is the opinion of the area staff that we should assist misfit young farmers who are mechanically minded to become established in national-defense work.

4. If funds were made available we feel that any help we could give to rural mechanically minded people to get into national-defense areas would solve some of our family relocation problems and, at the same time, help the families to earn a better living.

5. The lack of defense-production plants in this region has had a bearing on the number of migrants to industrial areas.

DEPARTMENT OF AGRICULTURE,

SOIL CONSERVATION SERVICE,

Lincoln, Nebr., October 24, 1941.

To: State coordinators and area conservationists.

From: E. H. Aicher, Chief, Regional Institutional Adjustments Division.

Subject: Migration of families to defense areas.

Attached are copies of two letters, one addressed to Dr. Bennett from Congressman John H. Tolan, chairman of the House Committee Investigating National Defense Migration and the second from Mr. D. L. Myer to Mr. McClymonds concerning hearings to be held in Lincoln.

In order to have some first-hand information which will be representative of the region to give to this committee when it reaches Lincoln, we are requesting that you make such determinations concerning the migration of rural people to national defense production areas as can be done conveniently and quickly and let us know your findings. We would suggest that among other points you wish to report on that you cover the following:

1. If such migration has taken place, was it among the younger group or the middle aged?

2. Has any effort been made to help mechanically minded rural people to get to national defense production areas?

3. Should an effort be made to assist misfit young farmers who are mechanically minded, to get located in national defense work?

4. If funds were made available to help get certain rural mechanically minded folks to national defense areas would it help solve some of our family relocation and tenure problems and at the same time assist the family to a better living?

5. Has the lack of defense production plants in this region had a bearing on the number of migrants from our rural areas to defense industrial areas?

Reply should be here by November 5.

E. H. AICHER.

DEPARTMENT OF AGRICULTURE,
SOIL CONSERVATION SERVICE,
Washington, D. C., October 20, 1941.

Mr. A. E. McClymonds,
*Regional Conservator, Soil Conservation Service,
Lincoln, Nebr.*

DEAR MR. McCLYMONDS: Enclosed is a copy of a letter from Congressman John H. Tolan, chairman of the House Committee Investigating National Defense Migration, stating that a series of hearings are to be held in Nebraska and Missouri during the latter part of November and indicating that the committee may request the assistance of this Service.

We have assured Congressman Tolan that he can count on the wholehearted cooperation of you and members of your staff.

Sincerely,

D. S. MYER, *Acting Chief.*

CONGRESS OF THE UNITED STATES,
HOUSE COMMITTEE INVESTIGATING NATIONAL DEFENSE MIGRATION,
Washington, D. C., October 15, 1941.

Mr. HUGH H. BENNETT,
*Chief, Soil Conservation Service,
Department of Agriculture, Washington, D. C.*

DEAR MR. BENNETT: This committee is planning a series of hearings in Nebraska and Missouri late in November to determine what effects the national-defense program is having on migration problems of the Middle West.

Mr. E. H. Aicher and Mr. Wilkie Collins of your Lincoln office gave us much valuable information at our Lincoln hearings of last year. Our investigators will be in Lincoln soon and this committee will greatly appreciate any advice and cooperation your office there may be able to give them.

With all good wishes, I am
Sincerely,

JOHN H. TOLAN, *Chairman.*

EXHIBIT 6.—DEFENSE DISLOCATIONS AND MIGRATION IN SELECTED COMMUNITIES

The House Committee Investigating National Defense Migration sent the questionnaire given below to a number of communities which were reported to be facing dislocations because of priorities and material shortages. Excerpts from replies to this questionnaire which indicate the magnitude and character of the particular dislocations are given following the questionnaire. It is to be noted that the conditions described in these excerpts may have changed since the time they were submitted to the committee.

(Questionnaire described above is as follows:)

I. The characteristics of the community:

- (a) Indicate area covered in the following survey.
- (b) Population of this area as of 1940 (also more recent estimate, if available).
- (c) Estimated employment as of September 1941. Specify approximate number employed in the area in each major industry grouping including:

(1) Manufacturing.	(4) Finance.
(2) Trade.	(5) Other industries (specify).
(3) Transportation.	
- (d) Indicate approximately how many of the people who work in the town live in the surrounding area; also indicate the number of people from your community who work outside of it.
- (e) Unemployment and relief, specify number unemployed and number receiving relief, also number receiving other forms of public assistance, for the following dates: March, June, September, December, 1940; March, June, September, 1941. It is suggested that this information be supplied on the appended tabular form (table 1) and attached to your general statement.

II. Effects of defense program on employment in the community:

- (a) List the principal manufacturing firms in your community. For each firm list the principal products and give figures on employment broken down into nondefense (normal civilian) and defense work for the following dates: March, June, September, December, 1940; March, June, September, 1941. For these same companies, if possible, give estimates of expected nondefense and defense employment for the following dates: December 1941; March, June, 1942. It is suggested that this information be supplied in the appended tabular form (table 2) and attached to your general statement.
- (b) For each company that has already laid off or expects to lay off workers engaged in nondefense production give the date of each lay-off, the number of persons laid off and the reason (material shortages, allocation programs, etc.). For each of these companies indicate the number of persons that are expected to be reemployed in defense work by the same company or by some other company. In this connection state what training programs are in operation or are being planned. Are there any factors such as age, sex, skill, or race which are preventing the reemployment of many of these laid-off workers? If so, specify the number affected and the reasons.
- (c) What local, State, and Federal assistance may be expected to be given to those laid-off workers who will not be reemployed?
- (d) How will the above unemployment affect other local business activity; also, how will it affect the income and tax structure of the community?
- (e) Are there any prospects of the above unemployed being absorbed by nearby industries within the commuting area? If so, indicate the number that can be expected to obtain such employment and in what plants and communities.

III. Defense-contract problems:

- (a) What problems have the firms in your community encountered in trying to obtain defense contracts? Discuss particularly those companies who have already or will have to curtail their regular production.
- (b) Have there been any over-all surveys of the existing plant and equipment in the area to determine what proportion of it can be used for defense purposes? If so, what do these surveys show?

IV. The defense program and migration:

- (a) Has there been any migration into your community because of rising defense production? If so, estimate number and kinds of workers who have come in and the number in their families. Have community facilities been adequate for the in-migrants or have there been shortages in housing, school facilities, etc.? Is there any further migration into your community during the coming year expected? If so, estimate the number and kinds of workers.
- (b) Has there been migration from your community to other defense areas during the past year? If so, estimate the number of workers who have left.
- (c) Will present or expected unemployment in nondefense industries result in further migration from your community? If so, indicate number who are expected to leave.

EXCERPTS FROM REPLIES TO ABOVE QUESTIONNAIRE

ATTLEBORO, MASS.

Report by John W. McIntyre, Mayor, November 12, 1941

Attleboro's population is 22,054. North Attleboro, which adjoins Attleboro, has a population of 10,500. Both communities are largely dependent on the jewelry industry for employment. Between the two there are about 15,000 employed in jewelry work. About one-half of these are women. It is estimated that approximately 20 percent of the employees could be utilized for defense work if it could be secured. The jewelry industry works with comparatively soft metal, and the machinery is not heavy enough to handle steel. The degree of precision

required in manufacturing jewelry does not compare with that required in defense work. Accordingly, our tool-making equipment is not satisfactory. There are a great many locally owned small businesses employing from 10 to 100 which could not be changed to defense work. The jewelry business is a style business, and not a mass-production business.

While there will be a great deal of unemployment resulting from the virtual cut-off of the necessary metals, I do not look for a great deal of actual migration excepting among the skilled workers such as dye cutters and tool makers. Already some of this has taken place because of the higher wages paid in the defense industries. Some of the men may be able to get employment within commuting distance by automobile at Newport, R. I. (about 45 miles). The female workers will be very hard hit since apparently there is an oversupply of persons able to do ordinary assembling work.

There has been no indication that the factories will be able to utilize substitutions such as plastics or metals that are not on the shortage list, and I am convinced that this will be quite impossible on any sizable scale. Particularly is this true of plastics since it will be impossible to get the presses or molds at this time, and in any event, such ordinary production would call for very little employment. I suppose there is no relaxation of the strict rule against use of brass and nickel. That they would have to fall back on the Work Projects Administration and the local welfare seems a little ironic in the face of the increase in the national income and the increased taxes which are to be imposed.

MIFFLINBURG, PA.

Report by Edith G. Fox, Borough Secretary, November 12, 1941

Mifflinburg Borough covers an area of 1 square mile. Population at last census, 2,030, which is probably the present figure.

I cannot tell you or estimate number of employed, except the information on employment sheet which I enclose. Men from surrounding country come into town part of the time, and a number of our men work in Milton and Watsonstown.

Relief employables in borough for November are listed. Our relief is taken care of by public assistance county board at Lewisburg. The county commissioners care for some types. Up to this time, defense problems have had little if any effect on these figures. I will get information available to me and send the table No. 1 soon as possible.

Effect of defense problem on this community has been the employment of more men in some cases, and laying off of others where material has not been available as in silk mills.

Problems in getting contracts for trailers and truck bodies at Mifflinburg Body Co., I believe, have been in getting materials. Am not sure if orders of any amount have been given them. The company has made an effort at Washington and likely gave the necessary surveys.

Some new families have come into the town during defense work but others have moved out to work at other places. The movement so far as your survey is concerned is of no account.

Number employed at the Mifflinburg Silk Mills at peak was 125 and 25 just before shut-down. If they can get silk or rayon, they will begin work.

SELINSGROVE, PA.

Report by F. R. Wentzel, Chief Burgess, November 15, 1941

I have listed the industries that are affected by the rearmament program. You will notice on my report that we have already about 400 out of employment in our small community and no prospects of any of the enumerated industries opening in the near future.

The nearest defense industry in our locality is about 25 miles from our locality. That mill is in Danville and I understand Bethlehem Steel is going to close in that place. That means they will have all the help in the other industries that they can employ.

The assistance that the people can get in the district is unemployment compensation for 13 weeks and from then on only direct relief.

The local business activity in our district will be awful in this district unless we are able to get some defense project until the silk industry is improved.

Most people have no money saved and will not be able to pay taxes, rents, and their current bills.

We find that the men in our place that were able to get employment in other places are moving their families to other places, such as York, Williamsport, Allentown, Philadelphia, and those are the things that are going to make conditions worse here. They are being replaced by other families that have nothing to do. In a few years we shall have lost our skilled help and what will become of the small communities?

It is unfortunate that we are a silk district and the mills are not equipped to handle defense contracts. I do not know whether or not there has been a survey here but there is not much to survey in silk industries.

From the rate they are migrating I would judge that in a few years all the skilled men will be living in the metropolitan areas.

The only salvation for communities such as these if they are to survive is for the Government to place some industry here where we have the help and the housing facilities.

DECEMBER 17, 1941.

Seven miles from here there is a large modern building, containing four or five hundred thousand square feet of floor space suitable for mass production in many lines, and we have the people here with plenty of homes that should be held together. In a survey you would find people of all trades, yes, thousands of persons not able to find regular employment, and, if anything, slightly above the average intelligence.

I hope you can recommend this territory, containing about 50,000 people, for some industry, because we need the industry and the country needs the products that our people can produce.

EATONTON, GA.

Report by W. W. Walker, Mayor, November 20, 1941

Power curtailment threatens to cause the lay-off of a large number of employees of the Imperial mill (employment 250 to 300). The aluminum mill (average employment approximately 100 in 1940) is virtually closed down due to shortage of material. Unless defense contracts are granted same will be closed. There is no outlet for this labor here. Most of it will have to migrate. Work Projects Administration has been cut to almost no consequence. A small road project is about all that is left. The only thriving industry at present is the creamery.

The Enterprise Aluminum Co. is in its last week due to lack of material. They are making every effort to get some defense subcontracts but so far have failed. They now have bids in for fuse loading. If the aluminum plant is closed this will affect the tax structure since they were granted a 5-year exemption and taxes will fall due to the city and State and county next year on approximately a quarter million property (the entire tax digest for the city is a little less than a million at present).

RIPON, WIS.

Report by Eugene von Schallern, Mayor, November 22, 1941

On September 20th, as mayor, I called a meeting of all the heads of all factories here, consisting of the Barlow & Seelig Manufacturing Co., makers of the Speed Queen washing machine, employing approximately 500 men; the Ripon Knitting Works, manufacturers of socks and gloves, employing approximately 150 men and women; the Ripon Advertisers Manufacturing Co., the largest manufacturers of cloth advertising in the United States, employing 130 men and women; the Ripon Foods, manufacturers of cookies, employing approximately 150 men and women.

At this meeting, the question of unemployment resulting from priorities and material shortages was discussed fully. The following conclusions were arrived at: The Ripon Knitting Works were employed 85 percent with a defense contract for jute socks for the Army and were cooperating 100 percent with the Federal Government and there was no unemployment expected. The Ripon Foods and the Advertisers Co. had no defense contracts but expected no material short-

ages or subsequent unemployment. However, since this meeting, I have been informed the Advertisers Manufacturing Co. are expecting some shortage of materials and are trying to get a defense contract.

I then suggested that all the factories in Ripon do everything they could to get Government contracts for the defense of our country and to alleviate unemployment.

Now comes our last but biggest problem, the Barlow & Seelig Manufacturing Co. This company employs approximately 500 men, most of whom are married and own homes here and represent 50 percent of the workers here and 59 percent of the pay roll of this community. This company manufactures washing machines, and washing machines being considered nonessential, consequently materials for their manufacture have been curtailed, they being used for defense. The outlook as far as manufacturing washing machines is as follows: By January 30, 1942, all available material will have been used up and unless defense contracts are secured, this factory will close.

Through the efforts of the State employment office and others Ripon has been designated a distress area, one of the five cities in the Middle West. Our city council voted to give the mayor authority to do anything to help alleviate this unemployment situation. I have had the complete endorsement and help of the local Congress of Industrial Organization union members, but unfortunately have had no cooperation from the heads of the Barlow & Seelig Manufacturing Co. They have stated that they do not want any outside help, although after 6 months' work have only obtained defense contracts to employ approximately 90 men for the coming year, and these contracts were given to them by the Ordnance Department of the Army.

It is my opinion that this company will not take defense contracts unless they are assured a liberal profit and will close this factory unless they get exactly what they want. As for example, they bid on a defense contract for a chemical bomb. Their bid was approximately \$4. This is one of the many defense contracts on which they have bid and have been too high. This information I obtained at the Office of Production Management office in Milwaukee.

I offered to go to Washington, D. C., with company officials to try and obtain materials and defense contracts. They refused to go, so I went anyway. Having influential friends in Washington, and Ripon being a distress area, was able to make contracts of great value to the company.

However, on my return to Ripon, the heads of this company refused to cooperate and consequently haven't any substantial defense contract to take care of the workers in their plant.

Gentlemen, it is not the fault of the Federal Government that this factory has not obtained defense contracts; it lies at the door of the management of this company. It is my opinion that unless the heads of this company cooperate with the Federal Government and take defense contracts, the Federal Government should do something to keep the employees of this company working.

I would suggest that unless the company immediately obtain defense contracts, the Federal Government erect a factory here for defense work and employ our local men.

LANCASTER, PA.

L. W. Newcomer, Secretary, Lancaster Chamber of Commerce, November 25, 1941

There was practically no production of defense materials in Lancaster city in 1940. We believe the Armstrong Cork Co., in the fall of 1940, secured an educational order. However, it was not until January 1941 that machinery and equipment had been prepared to go into 100 percent and, incidentally, showed an increased production over any year since 1929, with the exception of 1937. In 1940, the 198 plants listed by the Pennsylvania Department of Internal Revenue employed 10,391 male and 4,138 female employees, who received total wages and salaries of \$18,242,700 and turned out products to the value of \$71,543,900.

It should likewise be pointed out that a majority of Lancaster's manufacturing firms are too small to handle prime contracts. Probably only 8 or 10 local firms have been able to secure prime contracts, and other firms manufacturing defense materials are either members of pools or working on subcontracts. It is difficult to secure accurate information because they have been instructed not to permit information to go out to any source.

In connection with paragraph B, section II, Lancaster appears to have been fortunate up to this time. Although a small silk mill in Manheim closed down

entirely because it could not secure raw material and other employees have been laid off, comparatively few workers have lost their jobs because of shortages, allocations, etc. However, in the opinion of a number of manufacturers, we are getting nearer to the point when lay-offs will occur in larger numbers. This subject was discussed at our board meeting last Friday with the idea of trying to develop some plan of action or finding some way of getting jobs for such workers in Lancaster. I discussed the subject with the employment office this week, and the manager of this office has agreed to do everything possible. We are trying to set up a plan where employers will advise the employment office of proposed lay-offs so that in advance of the actual lay-off the employment office may have an opportunity to find jobs for workers and the change made with no loss of time.

As you know, of Lancaster's 200 plants, only 3 employ more than 500 persons; i. e., Armstrong Cork Co., Hamilton Watch Co., and Stehli Silk Corporation. Each of these plants has some defense orders. Armstrong will perhaps have difficulty keeping all employees at work, because of the type of plant they operate and the difficulty of converting this type of plant to defense production. Their engineering department, however, is making every effort to find ways and means of so doing. Hamilton Watch Co. will likely employ more people, and this is the one bright spot in the picture. Stehli may experience the same difficulties as is true in the case of Armstrong.

Scores of city plants, however, employ less than 50 persons. A wide variety of products is turned out locally. As materials for normal production of civilian goods becomes more difficult to get, many of these smaller plants will be forced to close down unless conditions change. However, I don't know of anyone who is willing to make a prediction as to the individual plants which will be affected nor how soon such shut-downs will take place.

It goes without saying that any decrease in the total number of workers employed will have its effect on all other business in this city and, of course, any big decrease which would have an effect on retail trade may affect retail employment.

The contract service office states that many of our plants are too small to attempt to secure a prime contract and, in addition, many of them do not have the type of machinery and equipment which will enable them to turn out defense materials. They point out that the Stehli Silk Corporation is now in the process of curtailing operations due to the allocations program; however, it is understood that efforts are being made to adjust this situation, and the Office of Production Management is cooperating.

The contract service office says that no over-all survey has been made. A very comprehensive survey was made late in 1940 and completed early in 1941 as to the machine equipment of local plants, but the subject has not been carried further than this because of a lack of personnel in the contract service office to handle it. Incidentally, it is understood that the local contract service office is to be enlarged and the personnel increased to a point where it will likely be possible to make such a survey and, in addition, give the small local manufacturer greater assistance than has been possible in the past.

There has been no migration to Lancaster city; however, attention is called to the defense project at Marietta, Lancaster County, Pa., where \$6,000,000 are being expended for the construction of storage facilities of defense materials. This has made it necessary to bring in electricians, bricklayers, and other construction workers and has developed a serious shortage of housing in and near Marietta. We understand that even when this project is completed there will be a permanent personnel of about 500 workers and this, in turn, means that some plan for permanent housing must be developed in this town.

The local American Federation of Labor states that more than 5,000 workers have migrated from Lancaster to Baltimore and Philadelphia in particular. In the absence of any other figures, the American Federation of Labor estimate must be accepted. It should be pointed out, however, that many of these workers represent young unmarried men, recent high-school graduates, and particularly those who took shop courses, as well as a number of additional young men who were trained in the special defense training classes set up in Lancaster some months ago. Many of these young men have been able to secure jobs in Baltimore and Philadelphia at wages which could not be paid by a manufacturer of civilian (nondefense) products.

Certainly expected unemployment in nondefense industries will result either in further migration from Lancaster or in an increase in relief rolls. In addition to workers who may be laid off by nondefense plants, we will apparently have an increasing number of returning soldiers who will find themselves unable to secure their former jobs because they will be nonexistent. Recently, reports

reaching me indicate, too, that at least some of the workers who migrated from Lancaster to defense plants in Baltimore and Philadelphia have been returning to Lancaster, either because they did not like the high-speed mass production methods under which they were obliged to work or because they found living conditions not to their liking, or because they wanted to return to their Lancaster homes and families. Therefore, Lancaster appears to be facing a very serious problem, which can be adjusted satisfactorily only if local manufacturing plants, and particularly the many small plants, can secure subcontracts on defense materials or share such work in a pooling of effort.

From what I can learn, I believe that a vast majority of local manufacturers fully recognize the situation and are willing to make almost any effort to keep their plants working and their workers employed. I believe, too, that the enlargement of the local contract-service office will help us meet the situation, but, in addition to this, it will be necessary for the Federal Government to recognize the situation and take steps which will permit these smaller manufacturers to handle a share of defense work.

Taking 1940 as an example, which shows Lancaster city industrial production to the value of \$71,543,900 and production for Lancaster County as a whole of almost \$136,000,000, and considering that the best estimate we have been able to make to this time as to the value of defense orders secured by all Lancaster County plants as \$23,000,000, you can readily see that orders in sizable amounts must be secured to keep our workers employed if the allocation program is going to bring about a sizable decrease in normal production. If, as has been stated by men in authority in Washington, normal production of civilian goods will be cut by 50 percent, then Lancaster County as a whole will need to produce \$65,000,000 worth of defense materials in 1942 in order to keep our workers employed. This is almost three times the amount of defense business secured by Lancaster manufacturers in the 11 months of 1941.

PROVIDENCE, R. I.

Report by Dennis J. Roberts, Mayor. Prepared by Rhode Island Unemployment Compensation Board, Providence, R. I., November 21, 1941

I. Economic characteristics.

A. The Providence area¹ includes the cities and towns of Providence, Cranston, East Providence, Johnston, North Providence, Foster, Scituate, and Smithfield. Providence is the principal trading center and the principal financial center of this area. At the present time, the Providence area is one of the most densely populated and highly industrialized areas in the United States. The city of Providence had a population of 252,981 in 1930 and 253,504 in 1940. The whole pattern of life of the area is largely conditioned by manufacturing activities upon which the prosperity of commerce, finance, agriculture, and the professions depend. This area obtains its fuels and fabricating materials from outside sources and sells a large part of its manufactures in outside markets. On the one hand, transportation, trade, and finance represent a superstructure of economic activity which rests largely upon manufacturing and, on the other hand, manufacturing prosperity is conditioned by the nature and operation of this superstructure.

The transportation facilities are adequate in that there is rail and bus-passenger service to all points; there are established trucking lines to and from all points in New England, New York, and the South and West. Providence has a fine harbor, and there is daily passenger and freight service to New York, Newport, and Block Island, also foreign and coastwise freight steamers. State and commercial airports are conveniently located.

B. *Population.*—The population of Providence constitutes approximately 35.5 percent of the State. Data for the last three censuses are as follows:

Year	Population of Providence	Population of Rhode Island
1930	252,981	687,497
1936 (State census)	243,006	680,712
1940	253,504	713,346

¹ Indicates the area covered by the Providence office of the State employment service.

The State census of 1936 revealed that 75.6 percent of the population was native white; 22.1 percent foreign-born white; 1.7 percent Negro, and 0.6 percent "other," which is the largest proportion of native white and smallest proportion of foreign-born white for more than half a century. The sex ratio is 92.1 males per 100 females, and the average number of persons per family is 4.04.

C. TABLE A.—*Estimate of employment in major industries in Providence, September 1941*

Industry group	Total employment September 1941	Percent of total
All industries	135,408	100.00
Agriculture	1,153	.9
Mining	122	.1
Building construction	5,717	4.2
Manufacturing	65,355	48.3
Transportation	10,657	7.8
Trade	34,775	25.7
Finance	3,821	2.8
Service	9,300	6.9
Other miscellaneous	4,508	3.3

D. Aside from persons employed in the city of Providence, workers in this area tend to live in the vicinity of the establishments which employ them. There is, however, a substantial amount of crisscross commuting; workers living in sections where work is scarce commute to other localities where labor is in greater demand, and the city of Providence draws employees from all sections of the State. In these respects the region in question is a metropolitan area in the full meaning of the term. Providence is a hub for transportation lines extending to all parts of the area. It is a communication center for the region, and in Providence and its immediate environs are warehousing facilities which, directly or indirectly, serve all parts of the area.

E. The trend in unemployment and relief for the period under discussion is shown in tabular form in table 1 which is appended to this report.

II. Effects of the defense program on employment in the community.

A. A detailed analysis of the effect which the defense program will have on 316 business concerns in the Providence area indicates that the expansion of defense work will not absorb all of the workers who will be made idle if present priorities restrictions are maintained, or if the restrictions should be made more severe.

Two approaches have been made to the study which provides the basis for this general statement. A complete survey of 282 firms in the jewelry trade is given in a later portion of this report, and the expected labor demands of 36 representative industrial concerns is given in table 2. The 316 firms which were studied employed a total of 48,708 workers during September 1941, but will employ only 39,660 in June 1942. The trend in lay-offs is indicated in table B. A more complete analysis of the jewelry industry will be found in section III (B).

TABLE B.—*Estimated number of employees in 316 industrial concerns in the Providence area, by quarters*

Item	Sept. 30, 1941	Dec. 31, 1941	Mar. 31, 1942	June 30, 1942
Total number of employees	48,708	41,026	39,730	39,660
Jewelry trade	16,401	8,250	6,386	6,300
Selected industries	34,502	35,011	34,989	34,970
Less duplicates	2,195	2,235	1,615	1,610

B. One of the industries which is being hardest hit by priorities regulations is the jewelry trade. A detailed study has been made of the possible lay-offs which will occur because of the current shortage of brass and copper. According to

reports which have been prepared by the Providence office of the Rhode Island State Employment Service, at least 9,015 jewelry workers in the city of Providence will be out of work before January 15, 1942.

This figure, however, tells only part of the story. Shortages in other materials will further reduce employment before the end of the year. Those firms which use plastics for a portion or all of the items which they manufacture are finding it extremely difficult to secure basic chemicals and are faced with the necessity of making drastic cuts in personnel before the end of the year.

Similar conditions exist in the electroplating field where shortages of copper wire, which is used as a conductor, and some of the chemicals have already caused a drastic curtailment of work at a time when, normally, the industry would have been working overtime to get jewelry ready for the Christmas market.

The degree upon which the electroplaters are dependent on the jewelry trade is so great that that industry will be forced to shut down if any large portion of the jewelers do. The only exceptions will be those firms which do industrial plating for concerns having defense orders and, as a result, have been able to secure the necessary supplies.

From the foregoing it should be evident that priority restrictions have already curtailed activity in the jewelry trade and threaten a complete shut-down in all firms except those which deal in precious metals.

Many of the jewelry workers have skills which could be utilized in defense work, but at the present time Providence has few defense contracts which require the specific skill which these people possess. For example, the jewelry trade trains its workers in the assembly of small parts, yet this specific skill in assembling is not being utilized.

This is not the case, for example, with workers in the California Artificial Flower Co. The plant, which hires 800 persons, mostly women, expects that it will close completely unless it is able to secure 300 tons of steel wire for the year 1942. The workers are not adapted to any of the ordinary types of defense work and the machinery in the shop was designed solely for the manufacture of paper flowers. From all indications, the plant will be unable to get wire after the first of the year and all employees, except a few maintenance men, will be let go.

The following is a partial list of some of the concerns in the area which will be forced to let workers go in the near future:

Name of concern	Probable date	Will lay off	Reason
California Artificial Flower Co.....	Jan. 1, 1942	790	Priorities.
Clover Bead & Novelty Co.....	Mar. 1, 1942	200	Do.
Brier Manufacturing Co.....	Jan. 1, 1942	220-600	Do.
Theodore W. Foster & Bro. Co.....	Jan. 1, 1942	175	Do.
Wells Supply Co.....	Jan. 1, 1942	165	Do.
Silverman Bros.....	Dec. 1, 1941	280	Do.
Genser Manufacturing Co.....	do	300	Do.
Blaeher Bros.....	do	250	Do.
George F. Berkander, Inc.....	Jan. 1, 1942	260	Do.
Inlaid Optical Co.....	Dec. 15, 1941	44	Do.
M. Green & Co.....	Dec. 1, 1941	21	Do.
Federal Chain Co.....	Jan. 1, 1942	65	Do.
Chemical Products Corporation.....	Dec. 1, 1941	21	Do.
General Fittings Co.....	do	14	Do.

C. The following local, State, and Federal assistance may be expected to be given to those laid-off workers who will not be reemployed:

1. Unemployment compensation.
2. State unemployment relief. (State unemployment relief is a plan not used in many States. In Rhode Island it is under the supervision of the State department of social welfare, but administered, locally, by the cities and towns. The cost of this program is shared by the State and localities, on the basis of a five-elevenths and six-elevenths distribution, respectively. Applicants for this type of aid must be employable and in need, due to unemployment or inadequate earnings.)
3. Work Projects Administration.
4. "Outdoor" relief. (This type of assistance is given to needy persons who, for some reason, are not eligible for or cannot be absorbed by the State unemployment relief or Work Projects Administration. Its cost is borne by the cities and towns.)

D. Since the majority of employment in Providence is in manufacturing establishments which use materials affected by priorities regulations, unemployment due to priorities displacement of labor would, no doubt, have a serious effect on other local business activity. Retail and wholesale trade have prospered through the increased earnings of workers; construction of new homes and repairs and improvement of present homes have increased; hospitals have reported fewer charity patients. In fact, increased earnings have resulted in increased spending in nearly every enterprise. Unemployment in the factories would cause a considerable decrease in spending; it would cause a reduction in the unemployment-compensation fund; it would place a burden on the State unemployment relief, after the workers' unemployment-compensation benefits had been exhausted. Since, within an 8-month period, between July 1940 and March 1941, the State unemployment relief rolls dropped rapidly, a reduction of \$400,000 was made in the 1941-42 budget. A sharp increase in the State unemployment-relief rolls would require a budgetary increase and a probable tax increase.

Note.—Work Projects Administration rolls, at the present time, show a slight increase over the September 1941 figure.

E. Prospects that some of the people who will be unemployed during the next few months can be rehired by other employers are very slight. There is no industry within the area that could expand sufficiently to take over any appreciable proportion of the jewelry workers. At this time, however, desperate efforts are being made by the jewelry trade to secure a modification of present priority restrictions. In the event that this is achieved, it would greatly reduce the number of unemployed. It should be remembered, however, that there is no official indication that all of the requests made by the trade will be granted. If they were, the situation in the Providence area would brighten considerably.

III. Defense-contract problems.

Problems arising from defense and priority regulations are discussed at length in a survey of the jewelry industry, which is appended to this report.

IV. The defense program and migration.

A. Approximately 1,500 or 8 percent of the total employed in the metal trades industries, commute from the outlying districts of Woonsocket, Attleboro, North Attleboro, Uxbridge, and Franklin, Mass., to work in Providence.

Interregional and intercompany competition for workers is not yet acute, and migration is rather small at present. Some skilled workers in the area have migrated to higher wage sections, principally to the Newport and Hartford areas. Supplies of common labor are generally adequate in the local area.

The following table presents a summary of anticipated demand for and supply of labor for which shortages exist. Comparing the number of available workers in the active file in the predominant occupational needs, the following results are obtained:

Occupation	Total ¹ demand	Total ² available supply	Indi- cated shortages
Total	701	229	472
Tool designer	5	2	3
Machinists H	137	30	107
Machinists, bench	10	21	³ 11
Auto screw machine operators	30	4	26
Tool makers	52	2	50
Engine lathe operators	82	⁴ 91	³ 9
Speed lathe operators	18	4	14
Turret lathe operators	68	17	51
Milling machine operator	117	35	82
Planer operator	15	7	8
Boring mill operator	25	1	24
Surface grinders	41	8	33
Floor molders	51	2	49
Brass molders	30	0	30
Machine molders	10	0	10
Core makers	10	5	5

¹ Demand data consists of anticipated hires for November through April 1942.

² Based on ES-268 inventory of defense occupations, Providence office of the Rhode Island State Employment Service.

³ Excess workers over potential demand.

⁴ Includes 71 partially qualified classifications.

The comparison indicates a shortage of 472 workers in these selected groups. If only workers with primary and fully qualified supplementary classifications were considered, the shortage in these groups would be increased to 607 workers.

Indications are that within the next 6 months, there will be an in-migration due to occupational shortages of approximately 500 workers and their families. This situation may be alleviated to some extent by out-of-town concerns hiring workers to other localities, principally New York and New Jersey.

B. Analysis of the Providence jewelry industry (September 1941, 282 firms, 16,401 workers)

Detailed studies made by representatives of the Providence employment security office indicate that 52.23 percent of all jewelry workers in the area will be totally unemployed before January 15, 1942, because of the present metal priority regulations.

This estimate is based on a complete analysis of the labor situation in 282 jewelry plants, employing 16,401 workers. Although the returns from some concerns are still being tabulated, it is not expected that the results will materially change the percentage given above.

Further unemployment may be expected in February and March of 1942, and the lay-offs will probably reach their peak at the end of March, unless some remedial action is taken, the survey indicates.

The number of concerns which were studied is so large that it is definitely representative of the industry in the State. Of the total number of plants, 232 are engaged in the costume and novelty jewelry trade, working with non-precious metals. These plants employ a total of 15,381 persons and will be forced to lay off 8,034 persons before January 15. By the middle of March the total lay-offs will reach 9,015, or 58.61 percent of all workers in these plants.

It should be pointed out, however, that these are minimum and not maximum figures. All of the firms which are allied with the jewelry industry will be definitely affected, many of them in the same proportion as the industry itself.

In an effort to determine the effect on allied industries, a study was made of 30 concerns which cater principally to the jewelry trade. The officials of these plants indicate that they will practically be forced to close down if there is a major lay-off in the jewelry industry.

In an effort to avert the lay-offs, the jewelry industry has made a determined effort to secure defense work in order to keep their workers steadily employed. A total of 112 plants have applied for defense work and 50 of them have succeeded in securing small subcontracts.

The amount of defense work which has been awarded to Rhode Island jewelers is not sufficient to offset the unemployment caused by the shortage of metals caused by priority regulations.

For example, one firm reported that it has a productive capacity of 2,000,000 pounds of shells and stampings per year. This plant, however, is working on a small order of precision tools and will be forced to lay off 105 workers before the middle of January.

Another plant has 40 machines which would each turn out 50,000 parts for defense items daily, and yet this plant has only a minor defense subcontract and, as a result, will be forced to lay off workers early next year.

Because of the number of factors involved in estimating the probable lay-offs, it has not been possible to secure definite dates in all cases. A number of companies indicated that they would lay off before the end of the year and admitted that they were unable to set the date any closer. This group of plants will discharge 1,896 workers. Those plants which have a more definite date in mind announced the following probable discharges: November, 647; December, 2,066; January, 4,406; February, 735; March, 1,896.

Occupational distribution of 16,401 jewelry workers in 282 Providence firms, September 1941

Occupational title	Total	Men	Women	Occupational title	Total	Men	Women
Total	16,401	6,381	10,020	Maintenance mechanic	1	1	-----
Tool designer	1	1	-----	Color mixer	1	1	-----
Bookkeeper	2	-----	2	Artificial pearl maker	44	16	28
General office clerk	8	-----	8	Assembler	1,610	260	1,380
Shipping clerk	1	1	-----	Chain maker	51	51	-----
Stenographer	5	-----	5	Driller	30	22	8
Stock clerk	22	-----	22	Drop press hands	315	205	110
Watchman	7	7	-----	Riveter (jewelry)	98	28	70
Janitor	1	1	-----	Turner	215	41	174
Porter	1	1	-----	Decorator	91	44	47
Sweeper	1	1	-----	Scratch brusher	29	20	9
Glass blower	6	6	-----	Burnisher	7	7	-----
Jewelry	100	100	-----	Milling machine operator	4	4	-----
Stonesetter	102	73	29	Tumbler operator	6	6	-----
Roller	20	20	-----	Spot welder	101	31	70
Spinner	6	6	-----	Annealer	21	21	-----
Solders	837	257	580	Forming press operator	13	13	-----
Bench hand	431	231	200	Molder, plastic	1	1	-----
Caster	256	210	46	Artificial flower maker	541	-----	541
Melter	8	8	-----	Brancher (artificial flower)	155	-----	155
Colorer	127	125	2	Painter, spray	100	39	61
Enameler	50	41	9	Fireman	4	4	-----
Finisher	58	58	-----	Laborer, process (jewelry)	4,734	1,185	3,549
Polisher	955	888	67	Laborer, process (silverware)	8	8	-----
Engraver	32	30	2	Laborer, process (electroplating)	11	8	3
Plater	4	1	-----	Foot press operator	4	4	-----
Machinist, maintenance	37	37	-----	Laborer, process (artificial flower)	15	15	-----
Toolsetter	11	11	-----	Laborer (heat treat)	3	-----	3
Djemaker	268	268	-----	Laborer (cloth and watch)	20	20	-----
Jobsetter	27	27	-----	Carder	1,150	112	1,038
Tool repairman	18	18	-----	Laborer (silverware)	7	7	-----
Coppersmith	1	1	-----	Unclassified	3,379	1,572	1,807
Molder, specialty	6	6	-----				
Molder, squeeze	1	1	-----				
Electrical repairman	1	1	-----				
Carpenter, plant	1	1	-----				
Painter (jewelry)	1	1	-----				
Handyman, factory	1	1	-----				
Foreman	173	151	22				

LABOR MARKET REPORT FOR THE PROVIDENCE AREA, OCTOBER 16 TO NOVEMBER 15, 1941

A. Labor market developments in the Providence area.

Manufacturing pay rolls in this area show an increase of 51.5 percent over October 1940 and an increase of 14 percent over September 1941. Production in woolen and worsted defense orders is still at capacity; production in metal trades is holding firm, due to priorities on brass and copper; the jewelry industry is beginning to lay off workers (this number is augmented by the usual seasonal lay-offs at this time); compared with last month, the rubber industry has continued firm. It is not possible to predict what the future will hold for the construction industry, due to priorities on materials, but there have been very few seasonal lay-offs; retail trade is very favorable and is experiencing a considerable seasonal boost.

Continued heavy employment is expected in the above-mentioned industries during the next month.

(a) *Decreases in employment.*—1. The General Fittings Co., employing 64 workers, 80 percent of production on defense orders, producing indirect and tankless heaters, expect to lay off 14 workers in December, due to shortages of copper, gray iron, and malleable iron castings.

Cohen & Rosenberger, Inc., employing 1,800 workers on a 40-hour week, usually producing costume jewelry, now operating 12 percent of production on defense orders for fuses, gaskets, washers, booster caps, and collar insignia, expects to lay off 900 workers, commencing December 15. Three hundred of these workers are semiskilled and 600 are unskilled. This lay-off, though partly due to a seasonal lull, is largely brought about by the shortage of copper and brass.

The Monowatt Corporation, employing 720, producing electric sockets, switches, etc., expects to lay off 25 bench assemblers in January because of the brass shortage.

Mastercraft Corporation, costume jewelry manufacturers, have 40 workers on part time, due to brass shortage. These workers are mostly carders, packers, and stone gluers.

The United Wire & Supply Co., employing 600 workers, producing copper tubing and wire, 35 percent on defense orders, expects to lay off 100 workers if the copper shortage continues. The date of the expected lay-off cannot be determined at this writing.

2. Seasonal factors: Merritt-Chapman & Scott, general contractors at the naval air base and department at Quonset Point and Davisville, have started to lay off construction laborers.

The American Standard Watch Case Co., Brier Manufacturing Co., and New England Glass Works, all producers of costume jewelry, have made their usual seasonal lay-offs.

3. Placement of workers who have been laid off: Most of the workers who have been laid off are semi-skilled or unskilled and prospects of immediate placements are small. Many of these displacements are drawing unemployment compensation benefits.

(b) *Training*.—The following preemployment-refresher training graduates are expected to enter the labor market within the next 30 days:

Job title	Enrollment	Educational agency			
		Education department	Private schools	National Youth Administration	Work Projects Administration
Total.....	323	35	148	65	75
Aircraft mechanics.....	30	-----	30	-----	-----
Combination welders.....	63	-----	63	-----	-----
Machine operators.....	230	35	55	65	75

Good results are shown in placing machine shop practice trainees. As a matter of fact, the majority of graduates of these courses are experiencing little difficulty in obtaining employment, except in cases of trainees of Italian, German, and Negro extraction.

(c) *In-migration*.—In-migration has not yet noticeably affected the housing situation, community services, etc., in this area.

(d) *Changes in methods of recruiting labor*.—The Abrasive Machine Tool Co. of East Providence conducts a vestibule training school of new workers and for upgrading workers. Referrals to this school are made by the Providence office of the State employment service upon the successful completion of mechanical aptitude tests.

The Baldwin Locomotive Co. advertised for "process engineers" and "time study men" and requested that applicants apply at the Providence office of the State employment service.

There have been no indications of pirating of labor in the area and job advertising by out-of-town concerns is not as frequent as in the past.

(e) *Restrictive employer specifications*.—Some of the larger concerns engaged in defense production still insist that applicants be physically sound and are rejecting persons with missing fingers, hernia, loss of sight of one eye, and minor defects. This situation, as well as age and nationality discrimination (older workers, workers of draft age, and persons of Italian, German, and Negro extraction), is hampering the effectual utilization of the local labor supply.

RICHMOND, VA.

Report by J. Malcolm Bridges, Executive Secretary, Richmond Chamber of Commerce, November 25, 1941

It is rather difficult, for a city with diverse economic activities such as Richmond, to determine accurately the over-all and specific priorities, allocations, and shortages of materials. We do know certain specific examples of importance, however, and a general appraisal of the city itself gives some indication of over-all effects.

Wholesale distribution.—First, it may be well to consider briefly the effect of material shortages and priorities upon the wholesale distributors of Richmond—representing an important segment of the community's economic life.

Approximately 3,000 persons are employed by wholesale distributors in the following lines: Automotive; beer, wine, and liquors; chemicals and paints; electric goods; hardware; lumber and construction materials; machinery equipment and supplies; paper and its products; and plumbing and heating.

Operation of the priorities and allocation systems will unquestionably affect adversely to some degree the activity of these distributors—representing approximately 3,000 out of a total employment of 90'00 in all of the wholesale firms in the city. Other lines, not mentioned above, may also be affected to some extent.

While it is difficult to determine the exact effect of priorities and allocations on wholesale firms in the city, this large segment of employment cannot be ignored in any appraisal of the situation.

Construction.—Another large segment of employment in the city is that of construction activity. Approximately 5,000 persons are normally employed in this industry. At the present time, many of these workers are finding employment in one or two large defense projects in this area; particularly the new Army depot being constructed just outside the city.

It would appear, however, that private residential construction will be heavily entailed through shortages in certain metals and metal products. After the completion of defense projects in this area, within 6 months to a year, this may lead to a serious problem so far as employment of construction workers in this area is concerned.

Industry.—While there are undoubtedly many instances where priorities and allocations are causing changes in production schedules of Richmond plants, there are three major plants in this area where we have been advised of serious effects:

(1) Wortendyke Mfg. Co. announced on October 25th the discontinuance of production of paper napkins, towels, and toilet paper, due to pulp shortages. This plant, employing approximately 500 persons, will continue production of other paper products, including food containers, paper twines and specialty bags.

(2) On November 12 an Office of Production Management order restricted the use of cellophane to certain essential articles. This order, and its net effect, is not yet entirely clear. It is of considerable moment to Richmond, however, as the local cellophane plant of E. I. du Pont de Nemours & Co. employs approximately 800 persons.

(3) On November 24 an Office of Production Management order directed the prohibition of lead and tin foil manufacture for certain articles (including tobacco products) after January 15 of next year, and an immediate reduction in production schedules until that time.

The tobacco industry (principal industry of Richmond) normally accounts for 85 percent of foil consumption. The order, therefore, will apparently cause the complete shut-down of the Richmond lead and tin foil plant of Reynolds Metals Co., employing 1,200 persons.

Defense work.—As Richmond industry is almost entirely of the consumer goods type, any absorption of displaced workers by defense plants in this area seems most unlikely. Prime defense contracts let in this area so far amount to only \$2,000,000—while total industrial production of Richmond plants amounts to well over \$370,000,000.

Tobacco and tobacco products account for 35 percent of the industrial workers in Richmond, while rayon represents another 15 percent of total industrial employment. In order of their importance, other industries are food and kindred products, paper and allied products, apparel and other textile products, printing and publishing, iron and steel, and cellophane.

Conclusion.—A serious displacement of workers in Richmond, in distribution, construction and manufacturing, may now be foreseen as a result of priorities, allocations and shortages of materials.

As the industries of the city are primarily of consumer goods type, with seemingly little possibility of conversion for direct defense production, absorption of any workers displaced presents grave difficulty.

We, of course, recognize the vital needs of the defense program and know that these needs must be met. The question as we see it is how this may be done without unnecessary disruption of our entire economic structure.

We believe that unusual attention should be given to industries in which critical materials used are a relatively small but essential part of the whole. Cutting off such materials may add little to our direct defense effort, and subtract a great deal more through large unemployment, relief expenditures, and lowered civilian morale.

ELBERTON, GA.

Report by Ben. I. Sutton, Mayor, November 26, 1941

Our city and county have no defense industries, and the nearest ones are 90 miles away. Neither do we have any manufacturing plants with defense orders.

Agriculturally, we are in the worst shape imaginable; less than a fourth of a cotton crop, less than a third of a corn crop. Boll weevil got the cotton, and a long dry spell caused the corn failure.

Our farm labor is leaving us to get work at points where defense projects are located. They had to do this, else go hungry or call for charity. It is doubtful if this farm labor will come back to plant crops in 1942.

BANGOR, PA.

Report by Chairman of Bangor Defense Council, December 3, 1941

The silk shortage has impaired the functioning of our largest mill, conducted by the Kayser Silk Co., but our other mills, largely engaged in manufacture of clothing, seem to be working steadily. One mill conducted by Bangor Mills, Inc., formerly engaged in the production of silk products, is now largely occupied with manufacturing mosquito netting under Government orders. There seems to be no dislocation of our principal industry, namely, the manufacture of slate. The nearby plants of the Bethlehem Steel Co. and the Hercules Powder Co. at Belvidere have absorbed all able-bodied men who want to work.

ELKHART, IND.

C. F. Hunter, Chairman, Defense Production Committee, December 5, 1941

The problem of national defense migration to or from Elkhart has not been particularly serious to date, but may become so in the near future.

This area, including Elkhart and the small adjacent towns and rural area, has a population of about 40,000. It is an industrial area, having over 70 manufacturing and industrial establishments, employing about 5,000 workers. Our main industry is the manufacture of band instruments.

We anticipate, however, that due to shortage of the materials used by our local factories, there may be a considerable number of local workers migrating to South Bend, Ind., 16 miles west of Elkhart, to work in the large plants of Bendix, Studebaker, and others, which have substantial defense contracts and are expanding their production facilities. It is estimated that several hundred men are now living in Elkhart and working in South Bend, which condition is probably due to a lack of housing facilities in South Bend.

CULVER CITY, CALIF.

Report by Blaine Walker, Culver City Chamber of Commerce, December 17, 1941

This chamber, cooperating with the Santa Monica Chamber of Commerce and the Bank of America, called in for a discussion and planning all of the manufacturers throughout the district who had machine service and machine tools suitable for use in national defense work. Inventories of every machine tool available, including type, name of manufacturer, capacity, and availability of time, was compiled. Likewise, these inventories included available floor space of each manufacturer.

Various governmental agencies have been contacted by representatives of local manufacturers in an effort to obtain information regarding the status of these local manufacturers. To date no definite commitment has been made by any of the agencies contacted.

There has been considerable curtailment of civilian production in this area due to the restrictions placed on raw materials by priorities and civilian manufacturing allocations.

One of our prominent manufacturers has pointed out the fact that there are two salient points which are definitely unfavorable to Pacific coast manufacturers who bid on defense contracts. These two points are:

1. The differential in the steel cost on the Pacific coast from the Middle West, due to the fact that there is no basing point for steel sheets or plates on the Pacific coast.

2. Due to the aviation and shipbuilding industries in this area, the base labor rates of both semi and skilled labor are considerably higher than in the Middle West.

The effect of these two increases in cost on any quotation submitted by a Pacific coast manufacturer is obvious. These points have already been brought to the attention of the Office of Production Management and the Army Ordnance at Washington.

Frequently, due to the present procedure of making requests available for bids, the Pacific coast manufacturers at times have not had sufficient elapsed time between receipt of the bid and date of opening.

Our plants, of course, are desirous of rendering service in this defense program. However, at this writing, most of them feel that they are definitely behind the eight ball.

SHELBYVILLE, ILL.

Report by D. E. Richardson, Mayor, December 17, 1941

The Sta-Rite, Ginnie Lou, Inc., the employer of more than one-half of our industrial workers, is subject to a complete shut-down if steel wire is not made available. This company has been surveyed by the Office of Production Management. The reemployment of their labor would be impossible by any other company within a radius of 100 miles of Shelbyville. The unemployment would be increased 130 percent. Approximately 75 percent of the Sta-Rite employees are women who, because of home obligations, would be unable to seek employment away from Shelbyville. A large percentage are purchasing homes on monthly payments, in many cases the down payments having been made by the factory. This industry creates employment for 385 people for a year through the use of approximately 52 tons of steel. Very few industries approach this ratio of steel used to work-hour furnished. The working personnel of this factory should be retained intact for future use in the manufacture of defense needs when an item practicable to their production is available.

The loss of the Sta-Rite, Ginnie Lou, Inc., pay roll would be a catastrophe to local business with a direct reaction on the tax structure in general.

The Ann Arbor Machine Co., the second largest employer of industrial labor in Shelbyville, manufactures railroad and mine track tools, special items for aircraft industry and agricultural implements. They have a defense rating and are allotted steel through the Office of Production Management. The other local industries use little, if any, metal and may be expected to operate normally.

There has been no migration to this community because of defense production.

We believe the city has lost 150 to 200 young men, who have left for employment in defense industries.

Expected unemployment in nondefense industries would cause every worker who could leave to migrate from this community.

WARREN, OHIO

Report by Robert H. Roberts, Mayor, December 19, 1941

Effects of defense program on unemployment.

From June to September 1941, nondefense employment has decreased 917 and it is estimated that by June 1942 there will be a further decrease of 2,272, or a net loss of 530 in defense and nondefense workers.

From another source 22 locals representing 7,500 workers, report lay-offs due to material shortages at about 10 percent as of November 1, 1941, and prospective lay-offs by January 1, 1942, at an additional 10 percent.

Apparently, any reemployment of these workers depends on subsequent allocations of materials or on additional defense contracts.

There is at present no program for retraining adults, although the local schools are training youths for defense jobs.

Defense contract problems.

The various local manufacturing firms, which go to make up the variegated pattern of Warren's industrial make-up, have been making durable and consumer goods in specialized fields in most cases rather than in highly competitive markets. Most of these firms would prefer to continue their present function and have naturally been reluctant to enter the new field of defense manufacturing with its attendant retooling and reorganization. The Warren divisions of Nation-wide organization have, of course, followed the policies of their parent corporations. There seems to be a tendency to allocate to these Warren divisions the continuance of their original manufacturing function rather than conversion to defense needs. There are no accurate figures on the proportion of Warren's plant capacity which is now on purely defense work, however a ratio of about 42 percent is being used. Conversely, if 58 percent is now on civilian production the possibility of drastic curtailment of critical materials could enforce shut-downs which would very seriously affect the entire Warren area.

The defense program and migration.

In-migration.—Referring to the previous discussion of "characteristics of the community" it is estimated that about 8,400 persons have come into the Warren area since April 1, 1940. This influx has probably been the result of rising defense production. Based on a study of new dwellings in the area it is estimated that this in-migration comprises about 1,400 families having an average of 4 persons or 5,600 persons and 2,800 individuals, making 8,400 persons in all.

No doubt a large portion of the 2,800 individuals are actually heads of families who have come into the area with the expectation of bringing their families at some later date.

Of these 8,400 persons it is logical to presume that 4,200 are workers. Probably the proportion of unskilled and semiskilled workers would be larger in this group than the normal ratio in the area and the following arbitrary apportionment seems logical: Unskilled, 1,800; semiskilled, 1,800; skilled, 600.

It is estimated that 1,387 family-dwelling units have been built in the area since April 1, 1940. Of this number 424 have been Government sponsored. This would indicate crowded living conditions, and this implication is borne out by a Works Projects Administration survey made in April 1941 which shows an average increase of 20 percent in rents.

Of the estimated 1,387 new family-dwelling units in the area 1,011 are in Warren City. This sudden increase in Warren's structural inventory has placed an additional burden on the city's fire, police, health, and street departments providing for increased personnel and equipment.

The Warren City Board of Education anticipates an addition of 1,015 to school enrollment during the present year and further increases in the immediate future.

The Ravenna Arsenal was built by the Federal Government during the past year and is now being operated by the Atlas Powder Co. It is estimated that under 100 percent operation this plant will employ 13,000 workers of whom about 25 percent will be women.

During the construction of this plant the Wall Street Journal estimated the workers to be distributed according to surrounding cities as follows:

	Percent of construction workers	Miles distant from arsenal
Warren.....	10.0	10
Akron.....	28.0	25
Ravenna.....	14.0	10
Youngstown.....	6.0	25
Cleveland.....	14.5	35
Garrettsville.....	5.0	5
Kent.....	5.3	15
Cuyahoga Falls.....	1.2	25
All other.....	16.0	-----
	100.0	-----

It is not likely that the distribution of permanent workers in the plant will be in accordance with the above table, but in any event Warren should expect to be the residence of 10 percent of 15,000 workers, or about 1,500 workers as a minimum. The number may be arbitrarily classified as 500 unskilled, 500 semi-skilled, and 500 skilled workers.

Out-migration.—Apparently there has been little if any out-migration of workers from the Warren area to other defense areas. There has been some out-migration from Warren City to nearby villages and small communities but this is probably due to economic pressure arising from increased living cost and to the fact of increased rent within the city.

Future out-migration.—As pointed out in paragraph A, under III—Defense Contract Problems, about 58 percent of the workers in the area are employed either on indirect defense work or on nondefense work. In the event that critical materials are withheld from nondefense production, or that defense priorities be made the sole means of securing critical materials, the Warren area will be subjected to serious disemployment. However, there should be considerable reemployment of workers by the Atlas Powder Co. and, also, there should be some reemployment by plants now on nondefense work turning over to defense production. If this probable disemployment is alleviated by the means mentioned above there should be no out-migration from the area.

HARTFORD, WIS.

Report by Rollin Abbott, City Clerk, December 24, 1941

Libby, McNeill & Libby Co. have laid off approximately 100 due to the end of the packing season, 135 will be laid off December 31, 1941, due to the same reason. A very small portion will be employed on defense as we have practically no defense work in our city, and many of the employees are women and older men, past the age for obtaining employment in other types of factories; age and sex would permit a large number from obtaining employment. Other plants have not laid off.

There are now about 50 working outside the city and approximately 25 more from this city will be employed in other communities, such as A. O. Smith Co., Seaman Body Works, Briggs & Stratton, Kearney & Trecher Co., Allis Chalmers Co., International Harvester Co.—all located in Milwaukee, Wis., 37 miles east of Hartford. There are a number working at Wankesha Motor Co., Wankesha, Wis., 22 miles South of Hartford. Also Cedarburg Motor Co., 25 miles east of Hartford and a few others at Manitowoc shipyards, Manitowoc, Wis., 60 miles northeast of Hartford.

Up to date there has not been any migration into our community due to rising defense production. There has been a normal increase in migration into the community due to plants increasing nondefense production, but in some cases this is now curtailed somewhat by being unable to obtain materials that have been curtailed by defense. We have a shortage of housing, but school facilities are adequate. We expect a normal migration from the surrounding rural community. Unable to estimate as we do not know what defense contracts the Hartford plants may be able to obtain.

The migration from our community to other defense areas would be a possible 50 due to larger cities having all defense work.

Unless some of the Hartford plants receive defense work, and are unable to obtain materials for nondefense there will no doubt be a large migration.

An automobile parts manufacturer in reply to the question on problems encountered in obtaining defense contracts, stated:

"Insufficient information furnished and not sufficient time allowed after request for prints and specifications to warrant bidding."

NATCHEZ, MISS.

Report by Thomas J. Reed, Manager, Natchez Association of Commerce, December 24, 1941

It is true that Natchez may be seriously affected by "priority unemployment." Our city has a population of slightly more than 15,000 people; 600 of our workers, directly contributing to the welfare of 3,000 citizens and indirectly affecting the balance of the city are employed by the Armstrong Tire & Rubber Co. If for some reason this plant would have to shut down altogether, our city will be seriously affected.

The Office of Production Management should consider as far as possible the effects that material shortages will have on small one-industry cities.

We are hoping that our local plant will get national defense contracts and be able to carry on during the all-out war effort.

WEBSTER CITY, IOWA

Report by C. C. McCarthy, City Manager, December 26, 1941

We believe that if the manufacturing plants located here are able to obtain the necessary supply of raw material that the unemployment problem will not be serious. However, there is a great probability that this will not be the case. In this event it seems that the best solution would be to make it possible for small plants to obtain orders for defense products—perhaps under some sort of sub-contract arrangement.

There seems to be no general understanding as to what can be done to obtain a share of defense work for the small factories.

There has been no general migration from this community, although a few workers have left to take defense jobs.

One washing machine firm in discussing the problems encountered in trying to obtain defense contracts replied:

"About two-thirds of our normal work is of assembly nature and have been unable to get any work except for the machine shop department. Our equipment is of special nature and set up for long volume runs whereas most defense items available that we can handle are of small volume, with a large proportion of tooling work. So our problem is to make skilled or semiskilled workers out of ordinary machine operators."

TACOMA, WASH.

Report by Harry P. Cain, Mayor, December 29, 1941

The community covered in the following figures is the Tacoma defense area, extending in a circle from the King County line on the north to and including the town of Steilacoom to the southwest, but not including the mainland on the other side of Puget Sound nor the islands in the sound. We do not have figures on the number of persons employed by industry, but these may be obtained by you through the Washington State employment service. It is estimated that approximately 2,000 persons are employed in the area but live outside its boundaries. The number of persons receiving public assistance in 1940 and 1941 may be obtained by you directly from the Pierce County Welfare Department, Tacoma, Wash.

There is some delay in transferring personnel laid off nondefense work to defense work, and this is due to limited training facilities. Some classifications, particularly welders, are being brought in from other States to meet the emergency, even though there are unemployed men in the community who are awaiting training. This factor has not yet become serious enough to receive very much attention.

There has been substantial migration into the community within the last year. It is estimated that 3,000 persons from other points have been employed, making an increase of approximately 10,000 in population. School facilities have thus far been adequate, with the exception of those near Fort Lewis. There is a growing housing shortage, which has been partially met by the operation of the homes registration bureau. This shortage will be relieved somewhat by the construction of a Federal Works defense housing project of 400 units. Listings in the homes registration bureau total 140 houses and apartments vacant, with 245 applications registered. The ratio of applicants to vacancies has increased monthly for the past 6 months since figures were collected.

BURLINGTON, WIS.

Report by H. J. Runkel, Mayor, January 2, 1942

Our city is rapidly getting into a poor condition as far as employment goes. With the closing down of automobile production, our Burlington mills will lose \$500,000 worth of contracts. They have some defense work and are continually trying to get more. However, if they are not successful, at least 200 will lose employment at their factory. The Burlington Brass Co. is practically out of material and 150 people will lose positions with them unless defense work can be secured for them. Our lists are complete and for the city of Burlington only, excepting as regards workers registered at our local State employment office, these figures are for Burlington and vicinity.

EXHIBIT 7.—DISLOCATIONS DUE TO MATERIAL SHORTAGES

REPORT BY BUREAU OF EMPLOYMENT SECURITY, WASHINGTON, D. C., ON COMMUNITY SURVEYS¹

Below is a list of communities which have been surveyed for the Priorities Branch of the Labor Division by the Bureau of Employment Security. Not all the surveys reveal serious conditions, but in a number of cases conditions were sufficiently serious so as to require that these communities be certified to the Defense Contract Distribution Division and the armed forces as distressed areas entitled to special consideration in the granting of war contracts. Following the list are excerpts from a number of these surveys. The information in these excerpts is as of the date of the survey. Conditions may have changed since that date.

List of communities surveyed for labor displacement in areas affected by shortage of materials and limitation orders as of Dec. 31, 1941

State	City or town	Date survey completed	State	City or town	Date survey completed
Connecticut.....	Plainfield.....	Nov. 12	Michigan—Cont.	Bay City and Midland.....	Aug. 25
Florida.....	De Land.....	Nov. 21		Benton Harbor—St. Joseph.....	Oct. 5
Georgia.....	Eatonton.....	Nov. 22	Detroit.....	Sept. 12	
Illinois.....	Rome.....		Dowagiac.....	Oct. 1	
	Aurora.....	Oct. 22	Flint.....	Aug. 23	
	Belleville.....	Oct. 7	Grand Rapids.....	Aug. 30	
	Bloomington.....	Dec. 16	Grand Haven.....		
	Decatur.....	Oct. 31	Greenville.....	Oct. 1	
	do.....	Dec. 6	Holland.....	Dec. 6	
	Elgin.....	Oct. 10	Jackson.....	Oct. 10	
	Freeport.....	Nov. 24	Kalamazoo.....	Oct. 21	
	Galesburg.....	Dec. 10	Lansing.....	Aug. 30	
	Kankakee.....	Nov. 18	Ludington.....		
	Peoria-Pekin.....	Nov. 24	Muskegon (by State).....	Aug. 24	
	Morris.....		Muskegon (second report) (by State).....	Oct. 9	
	Ottawa.....	Dec. 8	Muskegon (third report) (by State).....	Nov. 6	
	Shelbyville.....	Dec. 2	Niles.....	Oct. 3	
	Steger.....	Dec. 30	Owosso.....		
Woodstock (by State).....	Nov. 39	Pontiac (by State).....	Aug. 23		
Indiana.....	Anderson.....	Oct. 29	Saginaw (by State).....	Aug. 26	
	Connersville.....	Nov. 12	South Haven.....	Dec. 31	
	Decatur.....		Ypsilanti (by State).....	Oct. 9	
	Euansville.....	Sept. 18	Minnesota.....	Albert Lea.....	Oct. 13
	Huntington.....		Nebraska.....	Kearney (by State).....	Oct. 17
	Kokomo.....	Nov. 10	New Jersey.....	Avenel.....	Nov. 27
	Lafayette.....	Dec. 29		Englishtown.....	Dec. 1
	Marion.....		Lambertville.....		
	Muncie.....	Oct. 29	Trenton (supplemental report initiated by State).....	Nov. 11	
	New Castle.....	Oct. 21	New York.....	Cortland.....	
Plymouth.....	Nov. 10	Fulton County (Johnstown) (Gloversville).....		Nov. 4	
Shelbyville.....		Jamestown (third report initiated by State).....	Nov. 10		
Washington.....	Nov. 1	Malone.....	Dec. 5		
Iowa.....	Albert City.....	Nov. 19	Olean (supplemental report).....	Nov. 21	
Centerville.....	Do.....		Oneida.....	Dec. 16	
Newton-Kellogg.....	Sept. 15	North Carolina.....	Roxboro.....	Oct. 20	
Kansas.....	Coffeyville.....				
Kentucky.....	Campbell County (by State).....	Nov. 19			
Maine.....	Sanford.....				
Maryland.....	Frederick.....	Nov. 17			
Massachusetts.....	Attleboro (by State).....	Nov. 19			
Michigan.....	Clinton.....	Dec. 18			
	Framingham.....	Do.....			
	Holyoke.....	Nov. 13			
	Northern Bristol County.....	Dec. 24			
	Taunton.....	Oct. 9			
Adrian (by State).....	Nov. 22				
Alma-Mount Pleasant (by State).....	Oct. 7				
Battle Creek-Albion and Marshall.....					

¹ These surveys were prepared for the Priorities Branch of the Labor Division of the Office of Production Management. In a few instances the surveys were made directly under the supervision of the latter organization.

List of communities surveyed for labor displacement in areas affected by shortage of materials and limitation orders as of Dec. 31, 1941—Continued

State	City or town	Date survey completed	State	City or town	Date survey completed
Ohio	Akron	Oct. 16	Ohio—Continued.	Springfield	Oct. 16
	Ashland	Do.		Stenbenville	Do.
	Ashland (second report)	Dec. 31		Tiffin	Do.
	Ashtabula	Oct. 16		Toledo	Do.
	Belmont and Harrison Counties.	Do.		Troy	Do.
	Bowling Green	Do.		Willard	Dec. 31
	Bryan (see Williams County).	Do.		Washington County.	Oct. 16
	Bucyrus	Do.		Williams County.	Nov. 21
	Cambridge	Do.		Wilmington	Oct. 16
	Canton-Alliance-Massillon.	Do.		Wooster	Do.
	Carrollton	Oct. 29		Youngstown	Do.
	Chillicothe	Oct. 16		Zanesville	Do.
	Cincinnati	Do.		Warren-Niles	Do.
	Cleveland	Do.		Corry	Nov. 3
	Columbus	Do.		Pennsylvania	
	Coshocton	Do.		Erie	
	Dayton	Do.		Indiana	Oct. 24
	Defiance	Nov. 21		Meadville	Sept. 16
	East Liverpool	Oct. 16.		Mifflinburg	
	Elyria	Do.		New Kensington	Oct. 16
	Findlay	Do.		Reading (regional office).	
	Hamilton-Middletown.	Do.		Topton	
	Ironton	Do.	Warren	Nov. 3	
	Ironton (second report, third report), by State.	Nov. 24	Wilkes-Barre-Seranton (regional office).	Dec. 31	
	Lancaster (second report, initiated by State).	Dec. 31	Rhode Island		
	Lima	Oct. 16	Providence-Pawtucket.		
	Logan	Do.	Tennessee		
	London	Nov. 21	Waverly (initiated by State).	Dec. 29	
	Lorain	Oct. 16	Wisconsin		
	Mansfield	Do.	Burlington	Dec. 19	
	Marietta	Do.	Eau Claire	Oct. 28	
	Marion	Do.	Kenosha-Racine (Office of Production Management survey).		
	Mount Vernon	Do.	Kewaunee	Nov. 13	
New Lexington (by State).	Dec. 19	La Crosse	Oct. 8		
New Philadelphia	Oct. 16	Manitowoc			
Newark	Do.	Milwaukee County.	Oct. 24		
Norwalk	Do.	Ozaukee County.			
Painesville	Do.	Ripon (Office of Production Management).			
Piqua	Do.	Sheboygan	Do.		
Portsmouth	Do.	Sheboygan County.			
Ravenna	Do.	Washington County.			
Salem	Do.	Waukesha County	Do.		
Sandusky-Ottawa Counties.	Do.	Waukesha County			
Sandusky (Erie County).	Do.	West Bend	Oct. 2		
Sidney	Do.	Wisconsin Rapids	Nov. 18		

(Excerpts from some of the communities surveyed in above list are as follows:)

DE LAND, FLA., NOVEMBER 14, 1941

Priorities forced for closing of several concerns. Approximately 100 persons have been or will be laid off shortly by these firms because of priorities. While some of the skilled workers from these plants have gone elsewhere to find employment a nucleus of such workers has remained, being held together by a community pool in the hope of obtaining a national defense contract. Most of the skilled construction workers have left the community in order to obtain employment.

The economy of the community being composed primarily of a large number of small concerns, it is more difficult than otherwise to obtain accurate employment data. However, it appears that approximately one-third of the labor force of the community is unemployed. Moreover, over 13 percent of the dwellings

in this town are vacant. The adverse economic situation in the community is further indicated by the fact that there are \$56,000 in delinquent water bills alone, the city of De Land having on its rolls \$628,000 in delinquent taxes and assessments. Expenditures for direct relief in Volusia County increased from \$52,625 in 1939 to \$60,910 in 1940 and \$92,022 have been set up in the Budget for 1941.

It appears that the increase in relief expenditures are primarily a result of the economic conditions in De Land and vicinity since employment conditions in the Daytona Beach area have been excellent.

Under the direction of the city of De Land, a community pool has been formed to seek a national-defense contract. This pool consists of an aircraft corporation and several sheetmetal works, machine shops, and garages. If this pool were given a contract for the production of airplanes, employment would be offered to from 300 to 350 workers. It is believed that all necessary workers could be recruited locally. There is plenty of floor space and dwellings to take care of a considerable expansion of activity in excess of the immediate capacity of the community pool.

Briefly stated, it appears that the economic situation in De Land is characterized by idle men and equipment useful in national defense, although the initial cause of most of the unemployment did not arise from priorities.

AURORA, ILL., OCTOBER 22, 1941

Thus far no extensive lay-offs have occurred in Aurora (population 47,000 in 1940) or in any of its neighboring towns. In Aurora 174 workers, out of a total of approximately 5,000 manufacturing wage earners, have been laid off without prospect of reemployment in their old jobs. An additional 288 workers have been laid off, but they will be reemployed for a period of 5 or 6 weeks beginning early in November. Specific lay-offs scheduled for the next few months will not affect more than 100 workers, but numerous companies in the area anticipate material shortages without being able to predict what effect these will have upon employment. The workers already laid off can be placed in other jobs in Aurora or neighboring towns. However, if sheet-metal products as a whole are affected by curtailed production, the employment of displaced workers will be difficult in view of the predominance of sheet-metal working in the community.

Labor supply.—The Aurora area now has an estimated 2,000 persons unemployed, 1,500 men and 500 women. The active file of the Aurora employment office contains 188 skilled workers, 313 semiskilled workers, 171 unskilled workers, and 869 workers in professional, clerical, and agricultural occupations.

BELLEVILLE, ILL., SEPTEMBER 30, 1941

Belleville stove foundries, the city's major industry, have had their production affected by shortages of steel, gray iron, pig and scrap iron, copper and brass tubing, and other materials vital to the stove industry, but few workers have been laid off as a result. The accepted policy among employers in the community is to spread the work and reduce the number of hours worked by each employee, thereby preventing lay-offs. Most plants in the area are operating a shortened workweek, its length varying with the availability of materials.

There is not much likelihood that workers who are laid off can be absorbed in the Belleville community. It is likely that some of them can be absorbed by expanding industries in St. Louis, Mo., 15 miles from Belleville. This office, however, has no information concerning job opportunities in St. Louis. Only one establishment in the Illinois section of the greater St. Louis Labor Market area is contemplating a considerable amount of hiring * * * which plans to add more than 1,500 workers during the next 12 months. Belleville workers, however, will not be acceptable to this company, as practically all Belleville workers are unionized and are working under closed-shop agreements.

The experience of the placement department of the Alton office of the Illinois State Employment Service would seem to indicate that present or previous

affiliation with any labor organization is a definite handicap to an applicant for employment with the company.

There is another factor which has affected the stove industry in Belleville, i. e., competition with other areas. A recent report on this subject by the Belleville Employment Office is quoted below.

"The foundries, which are the principal industry of this community, have suffered considerably during the past few years due to competition with firms that have moved from this vicinity to the South where cheaper labor can be secured. It is estimated that opposed to the average wage of 90 cents per hour which is paid in this vicinity, workers may be secured in the far South for the same type of work at about 40 cents per hour. Many of the factories here have found it possible to work only 2, 3, or, at the most, 4 days per week; some have ceased operation entirely. For instance, the one foundry employing some 400 workers was forced into bankruptcy during the past winter, and at about the same time another company at O'Fallon, Ill., very near Belleville, was forced to liquidate. The officers of the various concerns involved insist that this is chiefly due to the wage situation mentioned above."

Bloomington, in the central part of Illinois, is 130 miles southwest of Chicago. The population is 32,868 with 3,620 workers employed in manufacturing.

Ten Bloomington establishments were visited on November 25 for the purpose of determining anticipated hires and lay-offs. It was found that only 1 firm anticipated hires and that was to be of a seasonal nature in April 1942. This firm anticipates hires of 20, partially to offset a seasonal lay-off of 39 in September and October 1941. A total of 330 have been, or will be, displaced because of material shortages. The local office does not believe that these workers can be absorbed in Bloomington as employment prospects there are poor.

ANDERSON, IND., OCTOBER 29, 1941

Employment prospects in Anderson (population 41,000 in 1940) depend entirely upon the extent to which automotive production will be curtailed in that community. Approximately 83 percent of the town's industrial workers are employed at the two automobile parts plants.

* * * * *

It is apparent that even if the automotive plants do not greatly curtail production, other companies will experience curtailment in varying degrees. Numerical estimates of anticipated lay-offs on the basis of given information would be hazardous. * * * In any event, it appears evident that local industries will not have great absorptive power. A few companies will wish to hire small numbers of workers, but no substantial employment prospects are apparent. At present there are approximately 2,000 unemployed persons in Anderson, available and qualified for employment.

Other industrial towns and cities within a 40-mile radius of Anderson include Indianapolis, Muncie, Kokomo, Marion, New Castle, and Ellwood. These communities either have unemployment prospects of their own or a sufficient labor supply to satisfy anticipated demand.

KOKOMO, IND., OCTOBER 15, 1941

Priority unemployment or the displacement of workers because of priorities, production quotas, and material shortages had reached rather serious proportions in Kokomo, Ind., when this community was surveyed on October 15, 1941. Approximately 400 workers had been separated in the preceding 45 days and several hundred additional employees were working on a 3- or 4-day-week basis. The future prospects were none too bright since estimates based on a fairly optimistic view of the situation pointed to a further curtailment in manufacturing activity involving the net displacement of 15 percent of the current working force or about 1,160 workers and possibly some additional reductions in working time.

The actual experience of the community may vary considerably from the above prediction if any one or all of a number of assumptions prove to be incorrect. Obviously, if a sufficient amount of defense work can be allocated to Kokomo, the employment level can be maintained or even increased. However, if existing or anticipated contracts are withdrawn or the supply of materials for nondefense production becomes more stringent than expected, then the outlook would become more dismal than at present indicated.

The employment service files of the Kokomo local office, whose area comprises only Howard County, contain the active registration cards of 3,197 applicants (1,644 males and 1,553 females). The local office personnel estimates that among these applicants, 800 men and 900 women would be found available for employment if the proper opportunities were open. In addition, it was estimated that an intensified recruitment campaign would draw 800 other workers who, at present, are not registered. The total available labor supply of currently unemployed persons becomes 1,100 men and 1,400 women. To this supply will be added any workers displaced because of material shortages or laid off for other reasons. The proportion of Negroes in the community is less than five-tenths of 1 percent. Therefore, the racial and all other minority problems are considered negligible. It was estimated that only about 100 Negroes are available for employment and it is expected that most of these would be absorbed in service industries in any large-scale expansion of industrial employment.

NEWTON-KELLOGG, IOWA, SEPTEMBER 15, 1941

Newton-Kellogg, Iowa, a community of approximately 10,500, is in the center of Jasper County, predominately an agricultural area. It is located 34 miles east of Des Moines, the only nearby industrial center. Newton is serviced by two major trunk line railroads.

The Newton Chamber of Commerce reported that the school system is well equipped to handle vocational and industrial training. More than 250 adults have received training in the Newton schools during the past 2 years and there are 100 regular students enrolled at the present time. A program to add additional mechanical equipment for mechanical training is in process by the State and local education authorities at the present time.

Over 60 percent of the total population in Newton own their homes outright or have a substantial equity in them. The majority of industrial workers will need continued employment in this area in order to maintain these equities. The transient population is negligible.

The pattern of employment for Jasper County, Iowa, in which Newton-Kellogg provides the bulk of industrial employment, has been about 40 percent agriculture, nearly 30 percent in manufacturing and mechanical industries, and 11 percent in trade and finance.

The total labor supply in Jasper County available to manufacturing industries amounts to between 2,000 and 2,500 wage earners. This work force is concentrated largely in Newton and Kellogg, which is 7 miles distant.

The Iowa State Employment Service reported an active file of 976 workers registered for employment, including probably 100 currently employed but seeking employment elsewhere and 173 Work Projects Administration workers.

The Office of Production Management survey on September 15 covered eight manufacturing plants employing nearly 2,000 wage earners in September. The washing-machine industry comprised 1,544 of these wage earners or over three-fourths of the community industrial work force. These companies estimated that a washing machine curtailment program of 30 percent (tentatively announced by Office of Price Administration and Civilian Supply on August 3) and material shortages would curtail employment on civilian production to 1,062 wage earners by January 1942, a net displacement of nearly 700 wage earners. However, it was anticipated that defense contracts would increase employment from 215 wage earners in September to 413 in January. The net anticipated displacement would amount to between 450 and 500 wage earners.

The priority unemployment of 500 industrial wage earners together with workers indirectly displaced and current unemployment would produce a serious community relief problem.

TAUNTON, MASS., DECEMBER 1, 1941

Approximately 1,500 of the 16,000 workers in the Taunton area will probably be displaced during the 3-month period beginning December 1, 1941, because of existing or impending material shortages. An additional 800 may be displaced during the early months of 1942 if material flow is further curtailed. Some 300 others are presently, or in the near future will become temporarily unemployed because of other reasons. Copper, steel, nickel, tin, and lead are the metals which are chiefly responsible for the expected curtailment.

The recent revisions of material curtailment order No. 9 has reduced the possibility of plant shutdowns but will not prevent sizable displacements.

The use of substitutes including steel for copper tubing, malleable iron for brass fittings and glazed pottery for plastic knobs and for metal gas cocks is being widened in the stove industry. Such a program of substitution will not prevent lay-offs however, either in this industry or in the jewelry industry.

The local demand is estimated at 650 workers in various metal, textile, and specialty concerns of the area. Approximately 400 of these openings are of unskilled type. An "out of community" demand also exists, some 20 miles distant where some 1,000 workers of both sexes are needed. Transportation difficulties coupled with definite specifications as to nationality and to skin texture greatly limit this possibility however.

Many employers, particularly manufacturers of silverware, are reported as seeking defense contracts with some already having submitted bids for the manufacture of bombs and torpedoes.

ALBERT LEA, MINN., OCTOBER 3, 1941

The employment problem in Albert Lea, Minn., which arises out of priorities, centers around 4 manufacturing firms employing at present about 400 persons. About 100 persons have already been terminated according to the management because of lack of certain raw materials, steel and brass in particular. Some of these lay-offs may be seasonal although in this year the lay-offs were made even though the company orders are much better than previous years.

All persons laid off to date are mostly unskilled men and have not had steady employment with these particular firms at any time. These men have not been able to find regular employment and will, no doubt, be unemployed and available when seasonal activities in the Albert Lea area in road construction and poultry picking shut down.

The extent of future lay-offs depends on the amount of steel and brass which these firms are able to secure within 60 to 90 days. The nature of the products manufactured by these companies makes it difficult to get favorable priority ratings (if at all).

These firms have a very small amount of defense work even though they have all, except one, registered their facilities with either the Contract Distribution Service or the Ordnance Division of the United States Army.

Every one of the companies has bid on defense work, but they have not been successful, with the exception of one which does have a small defense contract.

The workers who will be displaced in the event that retrenchment is necessary, are predominantly male home owners.

There are absolutely no employment opportunities in the local community, and most of these men who will be laid off do not have the skill necessary to make enough money on out-of-town jobs to maintain two homes. The general skill of the persons to be laid off is as follows: 40 percent unskilled, 30 percent semiskilled, 22 percent skilled, 8 percent office and clerical.

It would seem that some special treatment would be necessary to prevent a serious lay-off such as the allocation of sufficient raw materials to continue at some level on their present basis or to set them up in defense work, by whatever means is necessary. Whatever is done, must be done soon.

Albert Lea is a city of 12,200 population, located approximately 100 miles south of Minneapolis and St. Paul. This city is located in the heart of the best agricultural section of Minnesota, as indicated by the fact that over 97 percent of the land in the county in which Albert Lea is located is used for farm purposes. There are no large cities near Albert Lea.

* * * * *

The active file in the local employment office in Albert Lea numbers about 550, of which 400 are men and 150 are women. When road construction winds up, this total may be increased by another 75 or 100. Some of the workers who have already been laid off have not visited the local office as yet.

It is estimated that most of the workers laid off recently are still in Albert Lea, although there has been some migration to Minneapolis, St. Paul, Milwaukee, Wis., and Burlington, Iowa.

TRENTON, N. J., DECEMBER 23, 1941

The Trenton area presents a serious case of labor displacement. On December 11, one company laid off its complete staff, then totaling 2,106 workers. It is expected that not more than 100 of these employees will be recalled. This was the last of several lay-offs since the plant had employed about 3,000 workers earlier in the year. Among a group of 20 other employers, about 830 workers have already been released and it is expected that by February nearly 4,800 additional workers will be displaced.

Employment opportunities for these workers locally are few. According to the latest information available, hirings in the area to the end of April 1942 will be negligible, totaling about 100 workers. This represents a marked decrease from the estimate made in September. The estimates of September were higher than actual hirings. * * * Many workers could be absorbed in the Philadelphia area but this involves two problems, namely that of retaining and commutation.

JAMESTOWN, N. Y., NOVEMBER 28, 1941

Reports received on November 26 from the State employment office in Jamestown with reference to conditions affecting the metal products and furniture industry in that area indicate that the situation is more critical than at the time of the previous report of October 22, 1941. It is now reported that more than 1,000 workers in the metal-products industry will be subject to lay-offs in the near future.

The Order of Limitation No. L-13, which reduces by 40 percent the amount of steel available for the production of metal desks and filing equipment, whether for defense or nondefense uses, has curtailed the production of Jamestown firms. Deliveries within 90 days under pending defense orders, and the inability to secure new defense contracts, are expected to result in further lay-offs.

Although no lay-offs were definitely scheduled by metal-products firms at the time of the previous report (October 22, 1941) 114 workers have subsequently been laid off by 5 firms in the metal-products industry (including metal furniture). Within the ensuing 90 days these and other firms anticipate laying off from 865 to 1,140 additional workers.

Three firms anticipate a combined lay-off of from 775 to 1,050 workers by the first of the year. For the entire sheet-metal industry the average estimated lays-off within 90 days may amount to 2,200 employees.

ASHLAND, OHIO, DECEMBER 16, 1941

Approximately 925 of Ashland's estimated 2,500 wage earners will have been released from employment in the period extending, roughly, from October 1, 1941, to February 1, 1942, as a result of priority of materials, production-curtailment orders, and seasonal unemployment. About 190 of these 925 workers were released in the period from October 1 to December 1, 1941. An additional 400 workers were released during the period from December 11 to 17, 1941, as a result of an order from the Office of Production Management restricting the processing of rubber goods to orders carrying an A-3 or higher priority. The remaining 335 of the 925 workers who have been or will be released were to be laid off in the period from December 20, 1941, to February 1, 1942, as a result of rubber and automotive production curtailment orders.

There is no possibility of the workers released or to be released being absorbed by other Ashland industries. None of the Ashland manufacturers anticipates any additional hires from November 1941 through April 1942.

DEFIANCE, OHIO, NOVEMBER 19, 1941

Unless a sufficient supply of materials, principally steel, is received by January 1, 1942, some 658 factory workers in Defiance County may be laid off. Of these, 63 are definitely expected to be released. The whole group of 648 will consist of 23 clerical workers; 26 skilled workers, including 23 tool and die makers, 318 semiskilled workers, 281 unskilled workers. The production workers, for the most part, will be experienced machine operators, assemblers, and sheet-metal workers.

* * * * *

In view of the small demand for labor, which will not exceed 100 during the next 6 months, the release of nearly one-third of the area's regular factory workers by January would create a very serious unemployment problem in Defiance County. There is little prospect of a compensating labor demand for workers of the types to be released in any of the nearby counties. The nearest large industrial centers, Fort Wayne, Ind., and Toledo, Ohio, are 47 and 58 miles distant, respectively. If small contracts were awarded to several of the metal-working plants in the city of Defiance, some, if not all, of the possible unemployment in the area might be forestalled or at least relieved.

LONDON, OHIO, NOVEMBER 15, 1941

The prospective lay-off of about 150 employees seriously threatens the economic life of London. It would be impossible for these workers, if released, to obtain employment locally unless a defense contract is obtained by this company.

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The manufacture of steel tubing on subcontracts has provided nearly 60 new jobs during the past year. This has been the only effect of the defense program on the community to date.

* * * * *

For some of the workers who may be displaced and are willing to commute, limited, alternative reemployment opportunities may exist in Springfield and Columbus. The majority, however, even if they were willing to commute or to migrate to the larger cities, would need retraining in order to obtain factory jobs at the semiskilled level. Such training is presently unavailable in London. Moreover, because of currently existing surplus of unskilled factory labor in both of the larger cities, it is probable that job seekers from London would experience several months' delay in securing jobs there at the unskilled level.

MANSFIELD, OHIO, SEPTEMBER 23, 1941

A quick but comprehensive survey of the manufacturing enterprises of Mansfield, Ohio, indicated that shortages of essential raw materials and anticipated orders to curtail civilian output will result in a displacement of approximately 1,400 workers within 60 days¹ and a minimum "long-run" displacement of about 2,500. These estimates are, however, extremely conservative. If shortages of such materials as steel scrap, pig iron, and nonferrous metals become increasingly acute, displacement will be even greater. If the small electrical supply companies now working on defense production do not continue to receive defense contracts or subcontracts, their problems will be identical with those now faced by the larger companies in Mansfield engaged in consumer-goods production. If certain types of maintenance supplies, such as mine equipment, are not considered as essential enough to insure high preference ratings, several employers who now view the future optimistically may find reduction in employment inevitable. Furthermore, the net displacement of 2,500 includes the eventual rehiring of 700 workers and an expansion of 3 more companies sufficient to absorb 345 workers. It is entirely within the limits of probability that displacement can rise to a temporary total of 4,600. Since total factory employment in Mansfield amounts to about 13,000, it is evident that an immediate decline of more than 10 percent with uncertainty as to whether factory employment will fall to a level 20 to 35 percent below that true at present is serious. Furthermore, it should be borne in mind that the secondary displacement that begins to occur when the percentage of industrial unemployment rises might be such as to further aggravate an already acute situation.

Although one corporation has received important defense contracts, only a negligible amount of this work has come to the Mansfield branch.

TOLEDO, OHIO, SEPTEMBER 20, 1941

Twenty-one major employers were contacted, and, of these, 10 either had lay-offs in the last 60 days or contemplated releasing workers before January 1, 1942. Eight of the ten smaller employers personally contacted had lay-offs or anticipated lay-offs.

¹ Since the time of the survey, this office has been notified that 700 employees have been released.

In the last 60 days Toledo employers have released 2,400 workers, of whom about 500 have been recalled. Definitely anticipated lay-offs in the next 90 days number about 370. It is possible that an additional 1,800 to 2,300 will be released within this period, if more primary and indirect defense contracts or materials are not obtained. Not more than about 300 workers of those who possibly will be released will be skilled.

Shortages of copper, steel, zinc, aluminum, and their alloys are responsible for lay-offs and anticipated lay-offs of firms suffering from lack of materials. The largest single group of workers affected are metal polishers. Approximately 500 of these workers have been laid off. Additional lay-offs are expected from day to day. The secretary of the Toledo Central Labor Union (American Federation of Labor) has been consulting with the Toledo manager of the Employment Security Center on plans for setting up defense-training classes for these workers.

If additional defense contracts were received by approximately 30 of the 95 Toledo firms considered, practically all of the anticipated lay-offs could be avoided.

Labor leaders in Toledo have publicly declared their belief that only a very few Toledo employers are sincerely attempting to obtain primary and indirect defense contracts. The unions are sending representatives to Washington to aid employers seeking contracts and to attempt to obtain orders for those employers whom they believe have not put forth much effort to obtain defense work.

Toledo labor expects lay-offs of from 5,000 to 7,000 by January 1942, unless curtailed production of automotive parts and equipment is offset by new defense orders.

WILLIAMS COUNTY, OHIO, NOVEMBER 19, 1941

Some 1,012 factory workers, representing over two-fifths of those regularly employed in the area and 87 percent of the 1,164 employed in October in the companies affected, may be released by January 1, 1942, as a result of material shortages. Most of the employees likely to be laid off will be machine operators and assemblers. The approximate distribution of these workers by skills will be 100 skilled, 400 semiskilled, 500 unskilled, and the balance technical and clerical.

A serious unemployment problem is in prospect for Williams County, if the indicated lay-offs develop. While the current labor reserve registered at the State employment office is at a relatively low level (258 on September 30), the release of about 1,000 regular factory workers would severely dislocate the economic life of the three communities immediately involved, but particularly that of Bryan. Reemployment opportunities in Williams County will probably be slight. The Defiance area, adjacent to Williams County, can be expected to afford only scant relief, since it will probably have an unemployment problem of its own. Fort Wayne, Ind., 45 miles southwest of Bryan, is well beyond commuting distance. Reemployment of these workers, if displaced, will depend almost entirely, therefore, upon defense awards to local factories.

STATE OF OHIO, OCTOBER 23, 1941

Bucyrus.—Out of employers of 3,843 of the areas estimated 4,500 workers, 2 have curtailed operations because of lack of materials, affecting about 60 unskilled workmen. Two others definitely will lay off 33 in the near future, with possible lay-offs of around 400 forecast because of shortages of steel sheets, scrap iron, and rubber. Fifty-one percent of the employees surveyed are engaged in defense production.

Cambridge.—Out of employers of 2,550 workers of the 3,000 in the Cambridge area, lay-offs of about 300 are anticipated, including 150 displaced because of a change from hand to machine coal loading. Not over 80 of these displaced are skilled workers.

Canton (report covers Canton, Alliance, Massillon, and Carrollton).—Definite lay-offs of 700 workers, with possible lay-offs of approximately 850 more are reported in this area unless defense contracts are received by 3 of the 113 firms contacted and additional materials by 13 others. Not more than 115 of the workers to be laid off would be skilled. Lay-offs in the past 60 days have totaled 314, of which 50 have been recalled.

Cincinnati.—Additional defense contracts are needed by 140 of 334 Cincinnati concerns to avoid the definite lay-offs of 1,717 industrial workers and anticipated

lay-offs of an additional 2,200 in the next 90 days, of which not over 750 would be skilled.

The survey covered employers of 72,660 of Cincinnati's 111,000 industrial workers.

Columbus (Franklin, Delaware, Union, Madison, and Pickaway Counties).—Of the 138 firms surveyed in this area, 88 are in defense production holding 35 prime and 75 subcontracts. Seventy-six of the 138 have been surveyed for defense production and if 30 could secure additional defense contracts most of the lay-offs, definite and possible, could be avoided.

Approximately 865 industrial workers have been laid off of whom 230 have been recalled in the last 60 days. Approximately 450 lay-offs are anticipated and if defense contracts are not received or materials secured an additional 2,600 will be released, of which 670 will be skilled.

Molders are group most affected, with 180 bench molders and 30 floor molders scheduled to be released if such materials as iron, tin, copper, steel, zinc, aluminum, cotton, woolen cloth, and additional defense contracts are not received.

Dayton.—Lay-offs of 850 workers of which 650 have been replaced in the last 60 days are reported by 159 Dayton manufacturers employing 62,498 of the city's estimated 70,000 industrial workers. Definite lay-offs in the next 90 days will number about 2,860 with between 1,000 and 2,000 more to be released if more prime and sub contracts or additional materials are not received. In group to be laid off there will be not over 300 skilled workers.

Elvria.—Although there have been no lay-offs in this area in the past 60 days of any consequence, approximately 2,500 industrial workers may be released or partially employed within the next 90 days because of material priorities, production restrictions, and seasonal conditions. Most of the lay-offs could be avoided if additional defense contracts could be obtained by at least 3 of the 20 concerns contacted. The 20 firms contacted employ 10,000 of the 12,000 workers in this area. Principal materials needed are steel sheets and tubes and copper.

Ironton.—Approximately 340 industrial workers will be laid off in this area in the next 90 days, with an additional possible lay-off of 200 to 300 if more primary or indirect defense contracts or materials are not obtained. During the last 60 days 128 workers were released of whom 75 have been recalled. Nineteen employers of 2,015 of Ironton's estimated 5,900 industrial workers were contacted. Materials shortages responsible for the lay-offs are in steel, nichrome baskets, tornesite, solox, copper, and zinc. Rubber molders and their associated unskilled workers are group most affected. If five firms could receive additional defense work the lay-offs could be avoided for the most part.

Jefferson County.—With no lay-offs in the past 60 days or definitely anticipated lay-offs, it is possible, but not probable, that 900 to 1,000 workers will be released within the next 90 days if more defense contracts or materials are not received.

Lake and Geauga Counties.—All 15 employers of some 6,000 in this area report they would have to lay off between 50 to 70 percent of their workers if they do not continue to receive steel, bronze, copper, zinc, aluminum, and various chemicals. They definitely anticipate release of 150 workers in the next 90 days and possibly an additional 1,200 if more defense contracts or materials are not obtained. In the past 60 days 151 workers were released. All anticipated lay-offs could be avoided if four firms can obtain defense contracts.

Mansfield.—The imminent lay-offs of approximately 1,300 workers are indicated in this area, but two employers may be in a position to absorb all of these if additional defense contracts are received. These concerns are now engaged in defense work and apparently have the facilities for further expansion.

The survey covered employers of 11,000 of the city's estimated 13,000 industrial workers, representing 7 major and 14 smaller concerns.

Lima.—Employers in this area have laid off 650 workers in the past 30 days of whom none have been recalled. Definitely anticipated lay-offs in the next 90 days number 519. Shortages of copper, steel, zinc, paper, and pig iron are responsible. Four of the 35 firms in the Lima area need defense contracts to avoid lay-offs. The survey covered employers of 10,225 of Lima's estimated 12,000 industrial workers.

Lorain.—Only 2 of 10 Lorain employers contacted have released workers recently or anticipate lay-offs. Thirty workers have been released, with the possibility of 850 being laid off in the next 90 days if materials or defense contracts are not obtained. The employers covered by survey hire 13,879 of the city's estimated 15,000 industrial workers.

Salem.—Two hundred workers have been released by employers in northern Columbiana County in the last 60 days, with definitely anticipated lay-offs of

350 expected in the next 90 days. It is possible that an additional 700 to 900 may be released if more defense contracts or materials are not obtained. Of these not more than 100 will be skilled. Shortages responsible are in pig iron, scrap, sheet steel, copper, and brass.

Sandusky and Ottawa Counties.—Definite lay-offs in the next 90 days number 158, with possible lay-offs of about 600, of whom about 300 would be skilled. Forty-eight workers were released in the last 60 days with no recalls. Approximately 29 firms in this area need additional defense contracts to avoid lay-offs.

Toledo.—The survey, covering 42,000 of Toledo's estimated 72,000 industrial workers, shows lay-offs of 2,400 workers, with 500 being recalled, in the last 60 days. Definitely anticipated lay-offs number 370, with an additional 1,800 to 2,300 possible if contracts or materials are not obtained. Of this group not over 300 would be skilled. Materials shortages are copper, steel, zinc, aluminum, and their alloys. Metal polishers are largest single group affected. If 30 firms could obtain additional defense contracts the lay-offs could be avoided.

Youngstown.—Youngstown employers have released 458 workers but recalled 299 in the past 60 days. Definite anticipated lay-offs total about 550 with additional lay-offs of 100 to 500 possible if defense contracts or materials not obtained.

Material shortages are in spelter (zinc), copper, lead, nickel, aluminum, and their alloys. Defense contracts would solve practically all anticipated lay-offs if obtained by 13 of the 44 firms considered, representing 46,444 of the city's 70,000 industrial workers.

PROVIDENCE-PAWTUCKET, R. I., DECEMBER 12, 1941

Unless existing priorities requirements are relaxed, the number of persons gainfully employed in the Providence-Pawtucket area will decrease during the coming 6 months.

Priority restrictions have already crippled the jewelry industry and all departments of it except those dealing in precious metals will close before the end of January. This one industry (jewelry) alone has laid off approximately 7,400 workers since September 1, 1941, and will throw others on the labor market within the next few weeks.

Similar conditions exist in rubber plants making items for civilian use, but it is not possible at this date (December 29, 1941) to forecast exactly the effect which this situation will have on textile plants located in the area. The narrow fabrics manufacturers will be affected as soon as their present supply of rubber thread is exhausted and 1,000 rubber workers have already been laid off. The total number who have been, or will be laid off, by five firms alone is 2,220 of whom 95 are skilled workers, 1,100 are semiskilled and 1,025 are unskilled.

The likelihood that displaced workers can be absorbed in defense industries is relatively small in Rhode Island. Most of the defense contracts in this area are for machine tools, machine parts, textiles, rubber products, wire, and cable. Few of the plants making these products could absorb jewelry plier workers or artificial flower makers. Some of the workers discharged in the rubber industry might with a slight amount of training be adapted to work in the textile industry. For the bulk of those laid off however, it appears that their only chance of getting employment is as unskilled workers in some plant not affected by the existing priority regulations.

BURLINGTON, WIS., NOVEMBER 28, 1941

Production limitation orders are expected to affect between 250 and 275 workers in Burlington, Wis., by the end of January 1942. With only 850 workers employed in November in the 10 manufacturing establishments in Burlington these lay-offs will affect about 20 percent of the local factory workers. About 100 persons employed in retail automotive sales will be affected by the limitation of automobile production. There is little opportunity for reemployment in the city since no further expansion is anticipated in establishments maintaining year around production; seasonal manufacturing plants are now in the slack period. Racine, 27 miles from Burlington, offers little employment opportunities for displaced Burlington workers since this city is also faced with a priorities unemployment problem and has been certified as a distress area.

As indicated by one local employer, no Burlington firm is large enough or suitably equipped to handle a direct defense contract, and the type of manufacturing done by local firms is not similar enough to enable local employers to cooperate on the production of one contract. The possible solution is for local firms to obtain subcontracts for products which they are equipped to manufacture. Production of munitions and machine parts requiring close precision work would necessitate the installation of new equipment and practically 100 percent retooling, entailing considerable expense and time. Some companies in the city seem willing to do this "with proper assurances from the Government."

JANESVILLE, WIS., SEPTEMBER 13, 1941

Possible lay-off of 2,100 automobile workers.

The possibility of any considerable number of these workers being absorbed in this community should there be a general lay-off is very remote. A small number of them with skills not now being used might be placed in surrounding communities, but the majority of these workers would offer a major placement problem.

The chief factors that would impede such placement are:

(a) The two automobile plants are the major employers in the community and many other businesses rise and fall in proportion to regularity of employment in these plants.

(b) There is a definite lack of defense employment by the other employers in the community.

(c) The hourly wage rate paid in the automobile plant is high for the amount of skill required, hence other employers are prone to compete for the workers' services and the workers are not eager to accept jobs at lesser pay.

(d) The majority of the workers lack training for other occupations; however, they are an unusually high type of factory worker and will lend themselves readily to some type of preemployment training.

KEWAUNEE, WIS., NOVEMBER 10, 1941

In point of number of workers affected by priority regulations, the situation in Kewaunee may not appear serious. However, the impending closing of the company is increasing an already serious unemployment situation in the city.

* * * * *

The closing of this establishment would not in itself be serious, were it not for the existing unemployment problem created when a manufacturing company moved its entire operations to Adrian, Mich., last January. For many years, this company was Kewaunee's largest manufacturing establishment, employing about 200 workers.

* * * * *

Kewaunee is a small city (population 2,533) located on Lake Michigan at the base of the Kewaunee and Door County peninsula. It is 25 miles north of Two Rivers (Wis.), and 31 miles north of Manitowoc (Wis.), which communities already have unemployment problems because of priority regulations of aluminum. Green Bay (population 46,235) is 30 miles west of Kewaunee. Algoma (population 2,652) is 11 miles north, and Sturgeon Bay (population 5,439) is 30 miles north. Kewaunee is the county seat of Kewaunee County, and has in the past been practically self-sufficient as far as labor exchange with other communities was concerned. Kewaunee and Algoma, although only 11 miles apart and both located in Kewaunee County, have always been natural rivals, and no interchange of labor has been common. It is estimated that between 75 and 80 percent of the families in Kewaunee are home owners; there are approximately 600 families in the city.

Manufacturing establishments in Kewaunee employed 170 workers as of November 1, 1941, compared with 361 employed November 1 a year ago. It is estimated that about 200 persons are employed in wholesale and retail trade, construction, service occupations, and transportation in Kewaunee at the present time.

* * * * *

About 125 heads of families who have lost their jobs * * * are working in other communities, mostly at temporary jobs, while their families continue to live in Kewaunee. Many of these workers are now coming back to Kewaunee

as the temporary jobs held in Michigan, Milwaukee, and on the housing project at Manitowoc are now completed. It is anticipated that the majority of them will return to Kewaunee for the winter and increase the relief load.

In talking with the mayor and other interested citizens, based on 600 family dwellings, an estimate was placed of 200 persons employed in Kewaunee at other work than in the industries listed above. Inasmuch as the total in the industries is 170, it is estimated that there are probably 200 employables in and about Kewaunee without jobs, in addition to the 100 or more heads of families who are temporarily employed in other communities but whose families are still living in Kewaunee.

To summarize, it is my opinion that the economic life of the city of Kewaunee is threatened and that the relief load will mount very noticeably during the coming winter unless the company is successful in getting enough work to keep and to reemploy the majority of their former employees.

LA CROSSE, WIS., OCTOBER 8, 1941

Thus far, La Crosse has not been adversely affected by material shortages. However, their effect will probably be evident by the end of the year when lay-offs are expected to begin. Four of the largest companies in the community anticipate laying off 800 or 900 semiskilled and unskilled workers during the next 6 months. If one of the companies secures a pending defense contract, it will be able to maintain its present staff and to hire an additional 150 or 200 workers. Another company would reemploy 300 or 400 semiskilled and unskilled workers if it could secure larger supplies of steel. Displaced workers in La Crosse are at a special disadvantage since the isolated character of the community makes commutation to other industrial centers impossible.

Community characteristics.—La Crosse, with a population of approximately 42,000 (1940), is an isolated industrial community in the center of a large agricultural area. There are no industrial cities within a 25-mile radius of La Crosse. In 1937 manufacturing industries in the city employed 5,080 wage earners, concentrated in 4 large establishments. The total number of manufacturing wage earners in the city is estimated at 5,820 for August 1941.

The numerous small establishments in the city face employment prospects similar to those faced by the six large companies, since only one of the smaller companies has defense work.

Labor supply.—The community already has a considerable number of unemployed persons. The available labor supply includes 4,460 men and 1,428 women. In addition, there are 144 trainees who have completed defense training courses and are now available for employment. Additional men are taking defense training courses at the present time. The labor surplus is confined, except for the trainees, to unskilled labor.

EXHIBIT 8.—EFFECTS OF MATERIAL SHORTAGES ON INDIVIDUAL COMPANIES

EXCERPTS FROM COMMUNITY SURVEYS PREPARED BY THE BUREAU OF EMPLOYMENT SECURITY, WASHINGTON, D. C.¹

This company has no direct defense contracts but from time to time receives subcontracts, which have enabled it to continue operations thus far. However, the amount of defense work may vary in any given week from none at all to 70 or 80 percent. It is impossible to estimate the amount and frequency of future subcontracts this firm will receive. Because of this lack of knowledge, the only assumption that can be made is that there will be no change in employment.

* * * * *

It was found that this company is a jobbing shop and such defense work as it gets is in the form of subcontracts and "subcontracts" of subcontracts. The major portion of these orders has been for certain castings and parts for certain guns, but seldom do these subcontracts occupy the workers for more than a few days. The plant, therefore, is leading a hand-to-mouth existence

¹ These excerpts are taken from the community surveys listed at the beginning of exhibit 7. The name and location of companies are not given because of the stipulation under which the original surveys were made.

on defense work. A review of operations for several months past displayed that defense work varied from week to week, from none at all to 40 percent of capacity.

The normal production of this shop goes largely to the automobile industry. The reduction of automobile production schedules is forcing the firm to depend more and more upon its sporadic defense subcontracts. Moreover, it is figured that the firm must operate at 67 to 70 percent of capacity to meet expenses. If the present trend continues, the firm will quickly eat up its capital in operations and will be forced to close completely.

* * * * *

An iron works concern: As with many other firms in the area, this firm's defense work is confined to subcontracts. It is, therefore, practically impossible to estimate future employment.

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The October 31 report shows this firm as 56 percent on defense production in the barrel-fitting department and 25 to 30 percent on defense in the foundry. Again, these are jobbing contracts and represent subcontracts of subcontracts. This defense work comes in small allotments, but a general average of the past month showed the firm to be 44 percent on defense work.

Difficulty is being encountered in securing scrap iron and pig iron, with practically none being available for civilian production. This is expected to result in a discontinuance of civilian production about December 15 and an approximate 55 to 60 percent curtailment of employment.

* * * * *

The only change in the general conclusions of the original report is that a more conservative estimate of lay-offs might be made. Originally 2,331 workers were expected to be laid off, 2,279 of whom were to be from the metal and machinery industries. Mr. Hoover found, after carefully reinterviewing employers, that a conservative estimate of lay-offs would place the lay-off figure for the metal and machinery industry at 1,800 by the end of the year.



The 1940 population of the area was 60,877. This area comprised two cities having a total population of 25,930.

The industries in these two cities have had practically no defense contracts, and unless some steps are taken immediately to provide defense work for some of the employers in these two towns, serious unemployment and distress will result.

The mayor and the leading citizens of one of these communities have been actively seeking defense contracts, and through the organization of a local defense contract-procurement committee have made a complete survey of all local industrial facilities, are setting up a master list of machine-tool information, and will file mimeographed copies of these surveys with the various procurement officers of the Army and Navy and Contracts Distribution Division.

At the present time only one company has a direct contract. They are now in the process of tooling for this contract and production will start about January 1, 1942. This contract at the scheduled rate of production amounts only to about one-fifteenth of the normal production of this plant.

Officials of two companies have made several trips to Washington to discuss the situation with the Office of Production Management in an attempt to obtain defense contracts or priority ratings which will allow them to obtain materials needed for production. These employers have been informed that action would be determined by the local employment office report on the community survey.

* * * * *

Further, up to the present time little help has been offered by the two local ordnance plants in absorbing displaced workers in the area. As a result of a superficial check it is estimated that there are only about 141 workers from the area presently employed at these ordnance plants.

Representative of the labor-supply officer conferred with officials at the ordnance plants on November 5 to discuss the possibilities for absorption of the workers displaced in the two ordnance plants.

* * * * *

The purpose of this conference was to determine if possible whether or not the impression of the Priorities Branch of the Labor Division of the Office of Production Management, to the effect that the labor displacement in the area will not be serious because of possible absorption at the ordnance plants, is a valid one. This impression is apparently a result of a report submitted previously.

The following was determined from this conference:

1. Present employment at one ordnance plant is approximately 2,400 workers, and when full production is reached they will employ approximately 3,100, leaving some 700 workers to be hired over a period of the next few months. Present employment at the other ordnance plant is approximately 3,100 workers, and when full production is reached they will employ approximately 8,200 workers, leaving a total of approximately 5,000 workers to be hired, 2,500 of which will be women.

2. The local office of the State employment service has repeatedly offered their assistance in the recruitment of workers for both of these plants, but has been given little, if any, consideration. The contractors have built up a file of applications through various methods and are hiring from their own application files with a few exceptions. As near as can be determined, little preferential consideration has or will be given to workers displaced in this area. There have been a number of instances called to our attention of workers presently employed being hired from distant localities.

Little could be determined during this conference as to how many workers might be absorbed from these plants in the area, but if the contractors follow their present hiring practices, it is possible that very few will be hired. Certainly no definite commitments could be obtained as to the number of workers that would be hired from the area, even though a composition study was submitted showing the number of workers presently employed in occupations similar to those used in the ordnance plants. The question of physical examinations came up, and it seems to be the consensus of opinion that the workers employed in the local plants generally will not be able to pass the physical examinations required at the ordnance plants. Further, the possible displacement in this community will be primarily men and the hiring schedule for the ordnance plants indicates that approximately 50 percent of those to be hired will be women.

A survey in the area indicates that 120 days prior to October 24, 1941, there were 6,678 workers employed in the plants indicated. As of October 21, 1941, there were 5,602 workers employed. (This statement of findings seems to exaggerate the displacement by comparing present employment with employment "120 days ago" when increases in work force had already been made. Use of these lower figures reduces the difference between present employment and earlier employment to 300, instead of 1,076 which appears as the difference.) The prospect due to material shortages during the 90 days subsequent to October 24, 1941, show an anticipated lay-off of another 1,577 workers, making a total lay-off of 2,653 workers during the 210-day period. Eighty-five percent of the anticipated lay-offs (1,577) will occur by December 31, 1941.

This summary does not take into consideration lay-offs that may take place at miscellaneous other small plants, nor the resulting lay-offs from retail and other establishments in the area, nor are any of the lay-offs indicated due to seasonal fluctuations in production.

At the present writing there are approximately 3,500 unemployed in another nearby area surrounding the ordnance plants, and there are another 3,500 to 4,000 construction workers on these plants, a great percentage of whom can be transferred to operations in line with the contractor's present hiring policy, giving us an immediate reservoir in the area of the ordnance plants of some 7,000 to 8,000 available and unemployed workers, against a potential capacity demand of 5,000 to 6,000 workers for the ordnance plants, of which approximately 2,500 will be women. No such proportion exists between men and women in the workers to be displaced in the area. It is also estimated that during somewhat normal production, about June 1, 1941, there were approximately 2,000 to 2,500 unemployed workers in the area at a time when there were approximately 8,000 workers employed in manufacturing industries.

Another consideration that aggravates the situation is the fact that 30 to 40 percent of the workers that have been displaced have no wage credits entitling them to unemployment compensation benefits. This is due to the fact that a great number of younger workers were hired and had not had the opportunity to work long enough to build up the necessary wage credits. At least in the case of one employer * * * 50 percent of the workers laid off are not eligible for unemployment compensation benefits.

Employers in the area feel that several of the leading plants are either equipped or could be equipped with little additional equipment to manufacture items for defense. This opinion is borne out by the fact that a stove company already has one contract and is bidding on several others. Several of the smaller employers are also producing indirectly for defense, but the percentage of production on defense contracts or subcontracts is extremely small in comparison to the production capacity for the area.

Employment prospects here are very largely dependent upon a single motor plant since that plant employs approximately 60 percent of manufacturing wage earners in the community. The central office of the corporation has estimated that total employment in the plant will decrease from 3,026 (October 1941) to 2,220 by April of next year. This decrease will be effected gradually. Since it is not clear upon what assumptions the estimated motor company's employment is based, information contained in this report is not conclusive.

Nine major manufacturing companies in the town were visited for the purpose of this survey. Their present total employment is more than 4,400; their estimated employment for April 1942 is slightly more than 3,300. No company in the community anticipates substantial increases in employment. Thus, if the anticipated material shortages and curtailed production occur, approximately 1,000 workers will become unemployed. Neighboring industrial towns are engaged largely in metal-working activities, so that there seems to be little possibility of absorption outside the town.

* * * * *

The local employment office already has 1,500 men and 200 women registered in its files.

This firm manufactures gasoline cans requiring sheet steel and brass sheets, rods, and tubing. The plant employs approximately 415 workers, practically none of whom is engaged on defense production.

According to present indications the company will have only about 40 percent of its required metals in November. For this reason employment is to be reduced to approximately 200, with a total shut-down possible about January 15.

There are no large metalworking plants within a radius of 100 miles.

The plant is equipped to produce any type of sheet-metal products using cutting, punching, welding, enameling, and assembling equipment * * *. The company is now bidding for a contract to produce 560,000 ammunition boxes, which would permit the retention of a number of employees now slated to be released.

At the aluminum company plant only 48 workers are now employed, whereas in January of this year employment at the plant was 108. On November 4, it was stated that no aluminum had been received for some time past, that none was known to be forthcoming, and that since the plant had about used all available scrap, employment would probably be reduced to about 10 or 12 workers by the end of November.

The company is bidding to obtain defense contracts and are fairly optimistic of success. However, if no contracts are received, the plant will close except for the machine shop which will be kept open and manned by about eight highly skilled key employees whom the company does not intend to lose. It is anticipated that enough outside work can be obtained to operate the machine-shop unit.

* * * * *

Of the 60 workers already displaced only about 6 have found steady employment. * * * The remainder are still in the community mainly because in most cases husbands, or wives, or other relatives are still employed at the aluminum plant, or because they have been able to move back to farms in the area, from whence they originally came.

There is little suitable employment in the area for these displaced workers. One cotton mill may take a few more, but outside of this one possibility the only hope displaced workers in the community will have to utilize the skills and training gained at the aluminum plant will be to move to find employment. The only other large employers in the area are two clay-product plants where only unskilled Negro workers are employed, and two canning plants which operate only seasonally from about July to November.

Among the large number of employers surveyed during the past few days only one definitely indicates a major immediate lay-off. * * * It was revealed that the concern's normal production of 3,000 units per day will be reduced to 1,375 units per day starting September 22. Though plant officials could not determine the exact date of lay-off, they indicated that at least 4,000 workers would be dropped during the period September 22 to 27. During the week ending September 20 production in one division had been reduced to two shifts operating 32 hours per week. The closing down of certain assembly lines will account for the release of the above mentioned 4,000 production workers.

This concern is the largest employer in the community and during the past month has employed a total of 16,500 workers in all its various operations. Plant officials stated that they would continue the present production schedule.

The possibility of absorbing these lay-offs in — defense production appear to be slight. The recently completed — defense plant which is operated in the community is now two-thirds staffed with employment of 2,000. An additional 500 to 800 workers will be required between now and the first of the year when the plant will be in full production on machine guns. These additional workers will be recruited from the group laid off through the curtailment of consumer durable production. The defense plant is at present operating 6 days per week. The management has apparently considered the possibility of releasing the recently employed defense plant workers for replacement by laid-off workers. However, company officials believe that such a program would hamper the defense production schedules and would, therefore, not meet with the approval of Army Ordnance Department officials.

Other concerns have indicated that they are not securing sufficient defense work to absorb any workers released due to curtailed automotive or consumers goods production. None of the firms appear to be experiencing significant material shortage problems at this time. While chiefly engaged in consumers goods production, each of these firms seem to be in a good position for conversion to defense production. In fact, if pending contracts are received some of them may be in a position to increase their staff. However, none of these companies with one exception can absorb any significant number of released laid off workers. One company has indicated a need for approximately 260 additional workers during the balance of the year. Upon completion of a new plant, 2,400 additional workers will be employed.

In connection with the potential lay-offs, it should be mentioned that approximately 70 percent of the employees of this concern are Negroes. A relatively high age level is also indicated among the workers. These factors may hamper placement with other concerns. In general, the employees of this concern are machine operators rather than skilled molders as the operation is highly mechanized.

This concern's employment has dropped from more than 600 in January 1941 to about 325. Present rate of decline of employment indicates that unless new direct or indirect defense contracts are obtained immediately another 125 to 150 employees will be released by January 1, 1942. Workers who have been released are largely semiskilled machine operators trained by the company for defense work.

The company has been producing Army material for the last 14 years. Officials said they were advised early in the defense program that orders would be greatly increased; however, they have received only a few small jobs. Officers indicate that they have a perfect set-up for defense work, inasmuch as they are prepared

to offer not only a trained production force but one able to design and construct machine tools.

A large portion of the lay-offs anticipated between now and January 1 would be employees with dependents.

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This firm has a current employment of 1,225, which is about 650 less workers than in September 1940. In the past 60 days 275 workers have been released. These lay-offs have been due both to curtailment of automobile production and shortages of material.

The company has received direct and indirect defense contracts. * * * Direct contracts to date total more than \$40,000. The company is now bidding for a defense contract for the manufacture of gas masks.

Materials are on hand to enable the company to operate less than 30 days with its present force.

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This concern, with present employment of 443, has laid off 275 workers in the last 60 days as a result of shortages of steel, copper, and brass. There is a possibility that there will be an additional lay-off of workers on civilian goods within 90 days.

The company has produced, on subcontracts, shell-weighing equipment and parts for airplane-testing wind tunnels.

* * * * *

This firm's present employment of 370 is about 150 less than in September 1940. Lay-offs in the last 60 days numbered 125 as a result of curtailment of automotive production. This firm is having day-to-day lay-offs and call-backs, according to the amount of materials received. Its principal shortages are zinc and aluminum. Officials say they have been assured of 60 percent of their normal consumption of zinc and aluminum until January 1, 1942.

The firm has had subcontracts for airplane parts, and has bid on primary contracts.

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This concern's present employment of 3,750 is approximately 400 greater than in September 1940. Unless additional primary or subcontracts for defense products are received it is probable that curtailment of automotive production will bring about the release of 400 or more workers about December 1.

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This firm's present employment of 380 is about 20 less than in September 1940. The firm indicates that curtailment of automotive production may bring about a lay-off of about 190 workers by the first of the year. There is a possibility, however, that orders for springs for "jeeps" may eliminate the necessity for this lay-off.

Approximately 200 workers have been or will be displaced in the near future as a direct result of national shortages in the area. An additional 275 workers who are normally out of employment during the current period for seasonal reasons are uncertain as to their return to employment because of material shortages. Any further curtailment of the present rate of flow of materials will in many instances create additional displacements not ascertainable at the present time.

With the exception of a few metal trades firms there are no so-called defense employers in this area. One large manufacturing company, with some 2,777 workers, has approximately 25 percent of its machine shop volume and 125 of its employees engaged in defense work. Some other defense subcontract work is also being performed here. About 10 percent of the paper-converting activity of this establishment is concerned with defense, directly or indirectly. Thus, while substitution of materials and continuance of present receipts have avoided any displacement at this firm, a further shortage or delay in obtaining essential

crepe tissues, inks, dyes, glues, boxboard, or paper stocks will cause departmental lay-offs and curtailment of shift operations. Similarly, inability to obtain adequate supply of single needles, zippers, and some types of cloth at the several garment establishments of the area may result in shop closings or personnel cuts over reported instances. The _____ Co. fears a shut-down if the needle situation does not improve rapidly. Similarly, the _____ Manufacturing Co. may lay off 50 percent of its workers—10-12 stitchers—if needles are not procured shortly. A shoe company may shut down if rubber soles are not available. Other shoe firms of the area do not indicate material shortage of sufficient scope to cause lay-offs or shut-downs, however.

Estimated industrial hirings of 900 workers are to occur within the area during the next 6 months. Hiring manufacturers have expressed an inclination to take on workers offering previous industrial experience over green hands, even though such experience may be unrelated. Although 67 percent of the total displacement estimate, or 327 workers, are female employees, 192 estimated hirings are to be made within this group.

This plant is well equipped for any type of machine work. It has a considerable amount of direct and subcontracts of a defense nature and is interested in obtaining additional defense work particularly in the radio and communication field. The plant employs approximately 250 unskilled workers in assembling and minor machine operations such as hand riveting. The major part of this force face unemployment before spring unless some light defense work is received.

* * * * *

A steel company: As long as scrap continues to be available in the quantities obtainable at present, the plant will sustain a working force of around 2,500. There is some concern over the supply of both scrap iron and zinc for the wire and sheet mill departments. The 450 men in these departments are working only 3 or 4 days per week now. The manager stated that, in the event of a discontinuance of this production, these men could be transferred to other departments that now are operating 7 days per week if the union would sanction such a move.

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An iron works, a gray iron foundry producing automotive castings, had a lay-off involving 115 men on September 20. * * * The plant faces a lay-off of 120 men in November and another reduction of 100 employees in March. This plant also is well equipped for producing any type of light gray iron casting for a defense requirement. At present only about 5 percent of the work is of a defense nature.

* * * A manufacturer of nails and brads employs about 20 factory workers. Continued employment is contingent upon supply of wire. In a plant of this type it is impossible to estimate defense employment. The plant is operating only one shift and it would be possible to add two additional shifts. Also, it would be possible to expand production by increasing the working time from the present 4-day-per-week basis to a 7-day-per-week basis.

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Fabricator of aluminum window frames and store-front fittings, has recently laid off 20 men, thus reducing the working force from 65 to 45 men. The company has arranged to transfer all separated workers to their company in Lafayette. The plant superintendent expects the plant to be completely shut down before spring unless some other type of work is secured. The company owns 60 acres at the plant site, 27 acres of which are under roof. The physical lay-out is ideal. It was stated that 100,000 pounds of aluminum scrap is on hand which cannot be disposed of.

A maker of cotton and rayon dresses employs 487 workers, mostly women. No change in employment anticipated except normal seasonal curtailment for modal changes in December and January. Apparently, this firm's greatest worry is over its supply of needles which are absolutely essential to continued operation. This plant has no defense work at present.

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The company is unable to secure enough material to operate the tool, machine, and machine-assembly departments. The officials of this plant are of the opinion that they have the equipment and the experience to make practically any part of a defense item they are asked to make providing it isn't too large. They have had a job shop for a good many years and have a very wide assortment of machines.

* * * * *

It is true that we have a defense contract, but we do not anticipate this to require over 80 (out of a total of 337) full-time men. Assuming that we will make 50 percent of the stoves next year that we made this year, and that we use 80 men in the boat department, we still must find jobs for, roughly, 150 men. These 150 men, the way things now stand, would be confined almost entirely to the foundry and kindred occupations and our porcelain-enamel room.

We are anticipating lay-offs in the foundry, because of lack of pig iron, and lay-offs in all of our other departments due to our inability to get brass parts made primarily out of bar and hexagon shapes. We believe that our plant can be converted fairly easily to many defense jobs.

* * * * *

Our plant, for all practical purposes, is 100 percent union, but I do not believe that will impede its absorption in other industries, if the possibilities present themselves.

A manufacturer of metal containers is the only establishment in the city which has been affected by priority or production curtailment orders. From June 6 to November 12, 1941, the working force in this plant was reduced from 182 to 80 as the result of inability to obtain 12-gage cold-rolled sheet steel and cold-rolled screw stock. While a sufficient supply of sheet steel has been released to enable the company to maintain its present force for another 30 days, it appears that it will probably be necessary practically to shut down the plant in the near future unless defense contracts are received. The firm has bid on percussion primers, and should this contract be obtained, the plant can probably continue operation on the present basis for an additional 10 weeks. The firm has also bid on the manufacture of 2,000,000 shells, and in case this contract is received no decrease in employment would be necessary for at least 1 year.

Several of the workers displaced thus far were formerly agricultural workers, the majority of whom have found employment on farms during the corn-picking season. Others have migrated to centers of defense activity, particularly California, so that relatively few are drawing unemployment compensation benefits at the present time. It is believed, however, that a lay-off of the present force, the majority of whom are city residents, would create rather serious problems in the community. The only other manufacturing concern in the locality (manufacturers of steel burial vaults, ensilage cutters, and hog waterers and feeders) which is now operating at practically full capacity with a total pay roll of 45. In fact, there are no known manufacturing concerns within a radius of 50 miles from this city which could absorb the workers laid off from the metal container company. Since this area of the State is primarily agricultural, some of the workers could undoubtedly find employment on nearby farms during certain seasons of the year. However, following the corn-picking season, which will end in 2 or 3 weeks, work of this type will be relatively scarce until next spring. Furthermore, about one-half of the present employees are women (the majority of whom have dependents), and of course, their opportunities for employment in agriculture are definitely limited. Thus, it is apparent that most of the workers would have to migrate to other places in order to secure re-employment. When it is recognized that about one-half of the residents of the city are dependent upon the metal container manufacturing company for their support, it is obvious that a complete shut down of the plant would create several real problems in the community.

From a total of 3,500 presently employed, approximately 300 workers have already been displaced and an additional 700 may be displaced in the community by March 1942. This estimate of potential lay-offs is conservative because

it includes only firms who have received definite notice of curtailment of materials. Some concerns have maintained employment levels by substituting other materials for brass, but are apprehensive as to curtailment when substitution possibilities are exhausted.

With one exception, the textile industry does not evidence any immediate fear of displacement. The majority of the workers so far displaced are some 250 textile operatives including 150 weavers at a plush mill. Since the weaving of plush fabrics involves operations which differ from the weaving of other textile materials and since there are no other plush manufacturers in the labor market area, the possibilities of absorption by such manufacturers are definitely limited. It seems reasonable to assume, however, that many of these operatives can obtain employment in various textile mills in the surrounding areas where such employers are experiencing replacement problems.

The most outstanding ease of potential displacement affects 420 males and 180 female workers at the plant of —. This total of 600 includes linotype operators, pressmen, proofreaders, compositors, and bookbinders. These are skilled workers for the most part who will find it extremely difficult to obtain other employment in the industries for two reasons as follows:

1. There are no other employers in the same industry within commuting distance of city.

2. Both within and without the local labor market area, the occupations in the printing trade are highly unionized. There is no union at this plant. Whether such nonunion workers could obtain employment in an industry so highly unionized is a serious question.

Until a short time ago, the leather-gloves industry was almost completely uninterested in defense work. The volume of civilian work, particularly on the foreign-type glove, was bringing in substantial profit, higher than offered in defense contracts. Even today there is not a very active interest in seeking defense orders. Only 15 or 20 firms in the area have submitted bids on contracts. Recently when the chamber of commerce sent 80 to 85 letters to employers to attend a defense clinic, only 5 appeared.

Some firms are reluctant to bid because of the penalties for nondelivery incorporated in the contracts. Still others claim, as noted below, that the labor costs are too high to compete with firms out West, while still others are looking forward to good spring business in civilian work. A few employers claim that the State Department of Labor home-work order has been a deterrent in submitting defense bids, though under the Walsh-Healey Act home work is not permitted on Government contracts. Employees claim too that the Labor Department order has made fulfillment of civilian obligations difficult.

A few of the firms have begun to realize shortages of materials may interfere with their civilian work and are beginning to bid for defense work. One leather-glove manufacturer stated that though he doesn't need the business, he would be willing to devote 25 percent of his production to Government work. The chamber of commerce is trying to sell the Army the idea of using capeskin instead of cowhide and horsehide, so that the firms would have a better chance of winning bids. The unions are particularly anxious to get Government work; they see in it a way of eliminating part-time work and slack seasons. There has been very little thought given to the possibilities of converting present facilities to fill a wider range of defense needs. Possibilities would be the sewing of gas masks, aviators' helmets, and heavy Army gloves.

The knit-gloves makers on the whole are more anxious to secure defense work and have been quite successful in getting awards. As already stated, approximately half of their facilities are on Government contracts.

Glove manufacturers in the Midwest have been very successful in outbidding local firms in defense work and are expanding rapidly as a result. One large plant near this city is said to have obtained 40 percent of all leather-gloves awards. Western firms have specialized in a cheaper and heavier line which very often meets Government specifications. Local manufacturers have specialized primarily in "quality" gloves requiring slower production and involving higher costs. Some employers claim that wages are lower in the West, but evidence to support this contention is not available at this time. Comparisons are difficult, since the work here is of a finer type and is not as adaptable to the belt-line production system used in the West. The unions contend that the local plants are run less efficiently than the western ones, and therefore cannot compete with them.

They had volunteered to send a committee out to study western methods of belt-line production.

Some employers are beginning to realize that with the tremendous expansion of the western glove industry, competition will become keen after defense needs no longer exist. Western firms may then start to underbid on civilian work and may even begin to better the quality of their gloves.

The number of workers to be hired or laid off during the next 6 months will depend entirely upon the receipt of additional defense contracts during that period. In case no contracts are received it will be necessary to lay off about 30 men from the woodworking department in the immediate future, and the number of hours will be reduced from 48 to 32 for the 45 employees in the machine shop and steel foundry. Such lay-offs would be brought about by a sharp decline in the demand for the nondefense products manufactured by the concern, occasioned in part by a lack of orders from foreign countries and in part by an insufficient supply of angle iron on the part of the customers who normally complete some of the products manufactured in the woodworking department. The firm is now negotiating for a \$500,000 contract to manufacture 70- and 80-pound steel castings which, if received, will require the addition of at least 100 men to their present force. Of the additional workers necessary 10 to 12 would be machine operators, 15 would be production molders, 4 to 5 would be coremakers, and the remainder would be composed of foundry helpers and laborers. Since deliveries on the contract under consideration are to start in January, most of the additional force would be hired during the next 2 or 3 months. Preliminary arrangements have already been worked out with Work Projects Administration for an in-plant training program to train the needed machine operators, production molders, and coremakers. And since the number of unemployed workers in this area is quite large at the present time, no difficulty is anticipated in finding qualified men for training purposes.

This is definitely a one-industry town, textiles. Two mills, A and B, had, in September of 1941, 80.4 percent of the covered workers in the entire county. Of these two large textile plants, A is by far the larger, employing in September 55.8 percent of the total covered employment in the county and having 69.3 percent of the covered pay roll in the county.

B is now running at peak employment and cannot hire additional workers. This plant produces cotton yarn, which is in strong demand. Priority orders and defense work has not hindered this company.

A, manufacturers of pile fabrics and velours, as of December 15, 1941, had released 703 employees since September 13, 1941; 60 percent of the released workers are men, and 460 of the released workers are classified by the company as "skilled workers." The company until this fall spent 80 percent of its time producing pile fabrics for automobiles and the remainder on cotton velours for household uses.

The company is of a highly specialized nature, using the clipper overhead pick-style loom, designed and built by the company. Because of this type loom the plant cannot compete on the open market for weaving.

At present the company is planning to weave more than 500,000 yards of army serge on the 64 looms sufficiently wide for the serge; 60 looms are to be retained for commercial weaving, even though all automobile fabric orders have been stopped. The remaining 100 looms could be used for 7.9-ounce tent duck, woolen lining, and worsted material.

To produce the Government contract order for army serge and for some commercial business, approximately 800 employees, or 50 percent of normal employment, will be needed. If the other 100 looms are put into use most of the remaining work force will be used.

Workers in this community have had but little previous work experience. Most of them live in their own homes and do not wish to leave the community. Only a few young people have gone to defense areas to work.

The community is beginning to feel the effects of curtailed production at ———. The people realize the seriousness of the situation and hope to secure relief either from Government contracts in the ——— plant or by the construction of an Army camp nearby.

There are no other industries in the county, except possibly agriculture, to assume any part of the present extra supply of labor. Many of the young employees come from farms, due to ready wages in the mills, and the reduced crop acreages and have had no other occupational experience.

A textile mill, manufacturers of full-fashioned hosiery, laid off approximately 70 workers. The company is now endeavoring to secure subcontracts for the assembly of electrical equipment, but thus far has been unsuccessful. If subcontracts are not obtained, the plant will remain shut since the majority of the equipment cannot be converted to the use of Nylon.

Supply of labor.—Although demand for labor is limited and further lay-offs may increase the supply, it is questionable whether the skilled workers who are needed can be obtained locally, unless training and upgrading are fully utilized. Nevertheless, of those workers who have been laid off, about only 25 have secured employment locally or in other sections of the State. A large proportion of the workers laid off by a textile mill were married women, whose husbands were also locally employed. As a result, there has been no movement of these workers to other towns where employment opportunities may exist. Employment opportunities within the town of Indiana are extremely limited and, if further lay-offs occur, it is extremely doubtful whether the workers will be absorbed.

This company employed an average 1,133 wage earners during the year ended June 30 in the manufacture of aluminum washing machines. This constituted over one-half of industrial employment in the community. In June and July — employment was sharply curtailed, owing to the conversion from aluminum to steel washers, but by September it had been restored to 1,750 wage earners. The company estimated that under the tentative washing-machine curtailment program its employment on washing machines would gradually decline to 1,062 wage earners by January. On the other hand, it has defense subcontracts, which it estimated would increase from 95 wage earners in September to 245 in January, leaving a net displacement of slightly over 250.

This firm currently employs 299 factory and 22 nonfactory workers. Virtually all of its production is for nondefense purposes, with only 4 or 5 men working intermittently on small defense subcontracts.

From a peak of 329 in October the company's employment has already fallen by 38 and, unless defense contracts are secured, a total of 231 workers will be laid off by February. This would mean a virtual closing of 1 plant engaged in metal work, and a sharp employment curtailment at the second plant engaged in wood work.

The company maintains that, with very little retooling, the woodworking-plant facilities could be converted to the defense production of ammunition-box parts, test-propeller parts for airplanes, and shaped- or turned-wood articles requiring precision machining. At capacity operation, defense work of this type would permit total employment of 600 workers. On defense contracts, the available space at the metalworking plant could be utilized, although its facilities, now used to manufacture wood and metal photograph frames, are not suitable for defense work.

The company has already submitted bids for subcontract work. The management reported on plant facilities by questionnaire to the Office of Production Management in June or July 1941 and again on November 15, 1941. It also submitted a report of facilities to — — — on November 15, 1941.

This firm is the largest employer in the community where priority unemployment already exists, with a current force of 423 workers, of whom 17 are nonfactory employees. Almost 220 workers produce track, tractor, and industrial motor parts for defense uses, while the remainder produce nondefense automotive parts.

Employment has been steady for the past 3 months, as the firm gradually shifted to defense production. Since the plant's currently available facilities are now at peak utilization for defense, all of the 180 workers now on nondefense production are slated to be laid off by the end of February.

However, if the plant can obtain electric power to operate 2 additional furnaces which are now unconnected, its capacity for defense work under 3-shift 7-day operation would permit employment of a total of approximately 700 men. The municipal power plant has so far been unable to supply the necessary added power because of inability to obtain materials and equipment now on order. That city has not yet obtained approval for its request for a project priority rating. If required equipment could be obtained, power could be supplied to this company within 3 months.

If power were furnished for the furnaces and sufficient additional defense contracts were awarded, the firm could retain its 183 nondefense workers and hire about 250 more workers. The plant is prepared to manufacture semisteel and alloy products and has submitted bids for subcontract work on brake drums for "jeeps."

Industrial employment in this labor-market area is concentrated in six non-food-manufacturing plants, currently employing nearly 1,200 workers, and in two canneries which employ about 500 workers at their seasonal peak. The canneries have already laid off 175 workers, and nearly all of the remaining 300 will be dismissed in mid-December when the season ends.

The non-food-producing establishments have laid off approximately 200 workers because of material shortages and the automobile production quotas, and they anticipate that more than 500 additional workers may need to be released by the end of February. In that event, total lay-offs by March 1 would have affected more than 50 percent of the workers employed by these plants in the early fall.

Reductions in employment have already been experienced by 5 of the 6 non-food plants surveyed, with the largest being the lay-off of 86 workers (since April) by a piano company. Unless material shortages are alleviated, this firm, which now employs nearly 300 workers, anticipates a further employment reduction of 150 workers by the end of March, with 110 being dismissed by February 28. This firm does not believe itself equipped to handle defense work.

An equally large lay-off is expected at the plants of a manufacturer of metal and wood picture frames and miscellaneous wood articles. Shortages of copper, glue, lacquers, and electroplating materials may force a lay-off of 230 of the firm's 325 workers by the end of February. One of the firm's plants, now employing 140 workers, will probably close completely about January 1 unless O. P. M. orders regarding use of copper stocks are relaxed. Absorption of these workers by other firms in the area would be difficult, since the other woodworking companies also face lay-offs, while the metal industries have few comparable occupations.

Another substantial lay-off is expected to occur at the largest plant in the area, which is now at a peak employment of 425 workers. This foundry anticipates a complete shut-down of its automobile parts division and a consequent lay-off of 183 workers by the end of February.

One smaller firm expects to continue to give work to its 60 employees in the production of wire products if promised supplies of wire become available. Any sharp curtailment of materials would necessitate the closing of this plant. Of 45 workers already laid off, 30 are not to be recalled in any case.

Of the 460 seasonal workers who will have been laid off by the two fruit canneries, about 350 are women, most of whom retire from the labor market during the winter. However, approximately 100 men customarily seek work in other industries after the seasonal lay-off. If the decreasing employment trend which is evident in this labor market area continues, these men will have difficulty in finding other jobs. A few, however, have already been placed in temporary construction work.

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The plant is now operating 1 shift, 5 days per week. If sufficient additional defense contracts were allocated to permit operation of 168 hours per week, a total of 400 workers could be employed. Several hundred bids for brass castings have been submitted.

A brass foundry manufactures material used on water, gas, and steam lines, employing 26 wage earners. Only a small proportion of their production has been shipped directly to defense projects on which they have been able to obtain priorities. Their inventory will be depleted by the 15th of October, and unless defense work is obtained this plant will be forced to close down. They estimate that a large proportion of their production is going

indirectly into defense, but they have been unable to obtain priorities on this work. In view of this shortage of brass which is essential to their operations, it is not unlikely that this company may undergo severe curtailment, if not a shut-down.

The company's present equipment (outside of its toolroom, which is one of the best in that part of the country and in which it makes its own tools, machines, and dies) consists mainly of specialized automatic machines (a large number of high-speed light presses) designed by their own engineers specifically for zipper production. The company is ready and able to finance the purchase or production of new equipment for defense work.

A metal-products company, which has defense contracts for the manufacture of steel cabinets, laid off 174 workers in September, rehiring 43 subsequently. Material shortages have also necessitated a reduction in working time from 6 days to 5 days per week for the company's entire staff of 800 workers. One-half of the company's production is for defense purposes.

A stove company—between October 24, 1941, and December 31, 1941, will lay off 300 unskilled workers, in addition to the 852 already laid off as of that date. In the opinion of the management of this plant, they are equipped to produce small metal non-precision-work products for defense. At the present time they have a contract which only takes up about one-fifteenth of their normal production.

This company does not have enough contracts at the present time to utilize more than 15 or 20 percent of existing plant facilities. Company officials are willing and anxious to take any sort of defense work which is adapted to the plant at any price but it will permit them to operate without taking an actual operating loss.

* * * * *

This stove company is one of the older companies. Its employment has been stable, its business has been consistently good, and its management has been sufficiently alert to anticipate that the defense program would, perhaps, have serious consequences insofar as the stove industry was concerned. As early as 1939 efforts were made to secure defense work. According to ———, eight persons have been engaged almost continuously in attempting to solicit Government orders. The amount that they have actually gotten has been infinitesimal.

At present the company employs some 700 factory workers, 100 clerical workers, and 50 salesmen. In common with other durable consumer-goods manufacturers, it is providing more employment this year than in 1940. At this time last year 650 employees were working in the factory. As of May 10, 1941, when employment had reached its present level, 95 percent of the workers were male and 5 percent female, while approximately half of the workers were under 35.

The company is well equipped, has adequate space for expansion, and can, if necessary, build additional buildings on the 7½ acres adjacent to the plant. In fact, the efforts already made to secure defense work have included bids in which ——— offered to erect such structures. (Evidently the company must be in excellent financial condition, since no expense has been spared in trying to secure defense orders. Documentation of one bid cost several thousands of dollars.)

"Substitution" and "simplification" have been explored with the result that aluminum tubing has been replaced with steel tubing, chrome trim has been cut to a minimum, and the number of models drastically reduced.

At present there is a 6-week inventory of supplies. The owners refuse to admit the possibility of a substantial reduction in employment, preferring to believe that they will, somehow, get defense work, favorable consideration on the request for supplies, or both. When asked specifically what they would do if defense work was not forthcoming and supplies of sheet steel and pig iron

could not be received in the amount necessary to continue their usual civilian production, the management agreed they would first resort to a reduction in hours and then to lay-offs.

Furthermore, the management is preparing to document its requests for priorities by setting up an allocation system of its own that requires a type of defense certification on the part of dealers. So spartan has the company been in this respect that no new civilian business has been accepted since last spring.

In fact, the increase in consumer demand, together with the inflexibility of the company's mass-production techniques, has made conversion to defense production extremely difficult. A large defense order means, in effect, the creation of a new production line equipped with new tools and manned by retrained workers. Thus, a contract recently received will mean the eventual rehiring of about 700 workers. However, before these workers can be absorbed a separate factory area must be tooled. This tooling will not be completed before March 1942, and the full quota of employment will not be reached until the second or third quarter of next year. In the meantime, the anticipated reduction of 50 percent in refrigerator production has already resulted in the lay-off of 700 workers and may be expected to result in the laying off of 300 more within the next few weeks. As shortages of supplies and new curtailment orders affect other consumer lines further employment displacement will result. Assuming a 50-percent cut in all civilian supply production, the maximum displacement of _____ will be 2,000. Present defense work will, as pointed out, make possible eventual rehiring of 700.

* * * * *

The present prospects are black for a large number of the firm's workers, and as a corollary, black for the community. Somewhere between 1,000 and 1,400 factory employees may be laid off within the next 10 days. And if shortages or curtailment orders are such as to substantially reduce production in their other lines, an additional 1,000 can be affected, unless there is a proportionate increase in defense work. (It is worthy of note that these totals were arrived at after careful consideration and indicate that a reduction of about 50 percent in items produced results in a displacement of about 50 percent of the workers.) Another point is worthy of comment. Any displacement should be multiplied by about 2.5 if we are to arrive at the true total of persons affected. For a community of 37,000 this will be a serious problem if every other company in the town remains unaffected.

There must be added to this real difficulty, however, the company's natural desire to retain as much as possible of the present lay-out of the plant so that it may continue to operate its consumer goods production lines at whatever level supplies and curtailment orders permit. Unless the management wishes to make fundamental changes in its methods, the operation of large sections of its refrigerator production line, for example, requires the same equipment, the same tools, and the same space whether operations are at full capacity, 50 percent of capacity, or 30 percent of capacity.

EXHIBIT 9.—ANALYSIS OF LABOR DISPLACEMENT DURING THE MONTH OF NOVEMBER 1941 IN 735 FIRMS REPORTING TO THE BUREAU OF EMPLOYMENT SECURITY

REPORT BY REPORTS AND ANALYSIS DIVISION, BUREAU OF EMPLOYMENT SECURITY, SOCIAL SECURITY BOARD, WASHINGTON, D. C.

The ever-increasing need for a larger and more rapid output of military equipment and machinery has been forcibly brought to the attention of American workers and businessmen in recent months. Workers are losing jobs and businessmen are threatened with complete loss of their business because of the need for diverting raw materials from the production of civilian goods to military matériel. Demands for an increased tempo in the output of machinery, ordnance, ships, and planes is making and is likely to make constantly greater demands for materials and equipment of all kinds.

The impact of this development made itself evident around the middle of 1941. The priority system was at that time making it difficult for certain

manufacturers to obtain various materials, particularly aluminum, copper, tin, steel, pig iron, and certain chemicals. The immediate reaction to these changes was the postponement of expansion programs, the reduction of hours, and the introduction of staggered work schedules. Many firms, however, particularly producers of consumer goods, continued to operate at high levels on the basis of accumulated inventories. The imposition of the priorities system of distributing available raw materials made subsequent lay-offs inevitable. With A-1 priority ratings alone requiring more copper, for example, than the rate of output of smelters, lay-offs in industries for which this metal was vital were bound to occur.

Lay-offs have occurred and are occurring at an increasing rate. Managerial ability and plant facilities lie idle. The problem is one of utilizing these reservoirs of skills of workers and of management, and the tools of production. The desirability of making maximum use of these elements of the production process is not a matter of social reform; it is a matter of social necessity and of industrial engineering. The experience of Great Britain furnishes ample evidence in the remarkable contribution being made to the conduct of its war effort through a program of "bits and pieces," a contribution of small business.

APPRAISAL OF THE SITUATION TO DATE

The total volume of unemployment arising out of lack of materials has not been great but it is likely to be severe in the near future. This is brought out by an analysis of reports received from local public employment offices during the month of November, and which covered the effects of labor displacement in 735¹ manufacturing plants, employing 643,000 workers, scattered throughout 39 States. Actual lay-offs in these firms are estimated to approximate 48,300. Anticipated lay-offs are expected to amount to 124,000 workers. Actual plus anticipated lay-offs for these firms represent more than a fourth of their employment, prior to initiating lay-offs.

Of the 735 firms reporting either actual or anticipated lay-offs or reduction of hours, the largest number—223—were firms employing from 100 to 250 workers. The 143 firms employing from 250 to 500 workers were next largest among those reporting actual or anticipated lay-offs or reduction of hours. Following this group were the 130 firms employing 50 to 100 workers. The larger firms, ranging either from 500 to 1,000 or 1,000 and over, numbered about 240, equally divided between the two groups. More than 400 of these firms indicated that actual lay-offs had occurred and 500 firms, including some in which lay-offs have actually occurred, anticipate lay-offs in the near future. Fewer than 100 firms reported actual or anticipated reduction of working hours.

Somewhat less than a third of the firms which reported the occurrence of actual lay-offs were concerns which formerly employed from 100 to 250 workers. Another 15 percent of the firms which have had lay-offs employed less than 100 workers. In other words, less than half of the firms which have had lay-offs formerly employed fewer than 250 workers. A striking feature of the survey is the fact that extremely large as well as small firms are being affected by the lack of materials. For example, 79 firms employing 1,000 or more workers were shown to have had lay-offs for this reason. An equivalent number of firms employing from 250 to 500 or 500 to 1,000 workers had also laid off workers.

Another idea of the magnitude of the lay-offs is revealed by a survey made by the representatives of the State employment services during September in order to ascertain the hirings and lay-off schedules of employers in selected manufacturing industries.² Reports from about 10,000 establishments, employing in September 4.8 million workers, indicated that they expected to lay off about 34,000 during September and October, and 66,000 between November 1941 and February 1942, making a total of about 100,000 workers to be laid off during that 6-month period. About 60 percent of these workers were attached to the automobile and automobile parts industries and the bulk of them were concentrated in Michigan.

¹ Does not include firms which employed fewer than 50 workers.

² Does not cover firms which have less than 50 workers.

Follow-up surveys made in November indicated that 10,000 manufacturing establishments,² employing about 5,000,000 workers, expected to lay off about 147,000 workers between November 1941 and May 1942. About 7,400 or 5 percent, of the total lay-offs anticipated during this period were shown for firms employing less than 100 workers and another 9,800 lay-offs among firms employing between 100 and 200 workers. However, more than a third of the total lay-offs were expected to occur in firms employing more than 10,000 workers, most of which were automobile manufacturing concerns.

Of equal and perhaps greater significance than the fact that 147,000 workers are expected to be laid off by these firms during the next 6 months is the expectation that 470,000 workers will be added by firms in the same industries. In other words, for every man laid off, at least 3 will be added. Interesting enough, the volume of hirings in relation to lay-offs proposed for smaller firms is higher than for all firms. Among firms employing at the present time less than 100 workers, 4 workers are expected to be added for each worker laid off. Offhand this would seem to indicate that there is no cause for great concern about lay-offs resulting from lack of materials. The difficulty arises from the fact that the timing of the hirings does not necessarily correspond with the contemplated lay-offs, nor do the areas of demand coincide necessarily with the areas in which lay-offs are proposed. Moreover, while there is every indication that an all-out production program will require large additions to the present plant personnel, there may be prolonged unemployment for a considerable number of workers between the time they are laid off and the time they are rehired, due to delays in converting plant facilities and other factors.

TYPES OF SHORTAGES AND PRODUCERS AFFECTED BY SHORTAGE OF MATERIALS

The most important reason for these lay-offs appears to be lack of metals and metal products. About 250 of the firms visited indicated that they had laid off workers due to such shortages and 369 firms, which undoubtedly included many of the plants in which lay-offs had already occurred, indicated that they anticipated laying off workers because of these materials. Next in importance among the reasons for these lay-offs were the limitation orders restricting production in several industries which consume vital materials and services needed by defense manufacturers. These orders, of course, arise out of the lack of metals. Up to the present time, limitation orders have been issued restricting the output of automobiles, washing and ironing equipment, silk goods, refrigerators, metal furniture, and various copper products. Deficient supplies of chemicals and lack of certain textile yarns and goods rank next in importance as reasons for curtailment of employment, with delayed delivery of equipment and machinery least frequently cited.

The area which appears to be hardest hit by these shortages is the Great Lakes and Ohio Valley region, particularly the States of Ohio, Michigan, Illinois, Indiana, and Wisconsin. In this region are concentrated many plants producing goods affected by limitation orders or which use vital defense materials. In Michigan the industries affected most are the automobile, parts, and accessories industries; in Indiana and Ohio, automobiles, electric refrigerators, domestic laundry equipment, and other household appliances; in Illinois, stoves and heating equipment and electrical machinery, including radios, refrigerators, and parts; and in Wisconsin, aluminum goods, rubber goods, and hosiery. In the South, textile firms, manufacturers of stoves, and small metal consumers are reported to be laying off workers because of the lack of certain materials. In New England, a wide variety of industries, most of which are small scale, are reported to be laying off workers; throughout the area, hardware and brass firms that are not producing defense items are laying off workers; in Massachusetts, toy and clock manufacturers will probably curtail employment; in Rhode Island, the jewelry industry has been hard hit; in Massachusetts, Maine, and other areas, the textile industry is laying off workers due to the lack of yarns. Upstate New York is feeling the impact of priorities in the automobile and metal furniture industries, as in those industries using certain chemicals, such as the textile and glove industries. In Pennsylvania, the most serious labor displacement has occurred in the silk industry. Around the metropolitan areas of New York City, the construction industry, affected by the order limiting residential housing, has created a displacement situation. Moreover, sales personnel are being laid off because of the lack of merchandise of certain types, such as autos and domestic appliances. In the

Central States, curtailment of employment in the washing-machine industry and plumbing fixtures has been felt in Iowa; in Minnesota, stoves, farm machinery, and other metal products; in Kansas and Missouri, fabricated steel products and household appliances. The Pacific coast is experiencing very little labor displacement as a result of material shortages. What lay-offs that have occurred have been made in small automobile assembly plants, foundries, and metal-producing plants in California, and furniture factories in Washington.

Labor displacement has hit communities to varying degrees. This has become evident from a series of surveys made by the United States Employment Service in order to assist the Labor Division of the Office of Production Management in certifying communities as "distressed" areas, which places plants in such communities in a somewhat more favorable position for obtaining defense contracts. As of December 1, 123 communities, the bulk of them located in Illinois, Indiana, Michigan, and Ohio, had been surveyed by the United States Employment Service. Of these, 15 had been certified and 2 were pending certification by the Office of Production Management to the Army and Navy as distressed areas. Action was pending on 31 other communities which representatives of the United States Employment Service had appraised as being in a critical position. In the remaining 77 communities, the situation was not considered serious, either because the number of workers displaced was small, job opportunities were ample in the community or in nearby communities, or because the plant was readily convertible to defense production.

In spite of increasing lay-offs due to shortage of materials, unemployment benefits for the country as a whole have not risen. As a matter of fact, benefit payments reached their all-time low in November, when \$21,000,000 was paid to unemployed workers, 30 percent less than was paid in November 1940. Among the more industrialized States, however, fairly substantial increases over October 1941 took place in Indiana, Ohio, and Wisconsin, which probably reflects priority unemployment more than any other factor.

FUTURE PROSPECTS

Immediate prospects in connection with this problem of labor displacement indicate that this situation will grow worse before it improves. Its peak impact is likely to be felt during the first 6 months of 1942, although some displacement will undoubtedly occur thereafter. It is estimated that over 95 percent of American business concerns employ fewer than 100 workers. Probably in the neighborhood of 15,000,000 persons, including proprietors, are employed by these concerns. Many of these concerns are small retail and service establishments which are not faced with potential labor displacement to anywhere near the extent of manufacturing concerns. The prospect of lay-offs even among such concerns, however, cannot be completely overlooked. Construction is another industry of many small as well as large units. The restrictions on residential housing may affect such concerns but the slack may be taken up by increased demand for repair and remodeling service. This will depend to a certain extent on the availability of certain materials.

Undoubtedly manufacturing will be chiefly affected by the lack of materials, leading to lay-offs of workers and plant shut-downs. Both the number of workers and the number of firms that will eventually be affected is indeterminate. Similarly, no estimates can be made of the number of firms that would go out of business.

The severity of the situation depends to a great extent on two factors—one, the speed with which contracts can be let to firms so affected, and two, the speed with which plant facilities can be converted to the production of war needs. A factor which should not be overlooked, however, is the possible migration of workers from distressed areas to areas which are in need of workers. If voluntary large-scale migration of these workers does take place, the chances are that the labor displacement problem will be minimized. However, not only is it questionable whether such migration will occur, but it is also questionable whether it is desirable from a social point of view to have such migration occur. An expanded production program should utilize every available piece of machinery, and if this is done, local supplies of labor should be used to the maximum rather than rely on importation of workers, which invariably creates housing, schooling, transportation, and other community service problems. In the Detroit area, for example, the prospects are that production schedules on defense material during

1942 will require the hiring of more workers than will be laid off by the automobile and related industries of that area. However, should workers laid off by these industries leave for other parts of the country, it will create more difficult problems of recruitment for Detroit's own future needs. This area is only one of many which are faced with the same problem.

ROLE OF THE EMPLOYMENT SECURITY PROGRAM IN CONNECTION WITH LABOR DISPLACEMENT PROBLEMS

The employment security program, jointly directed by the Social Security Board and State agencies, has been making a notable contribution toward the alleviation of distressed areas arising out of the lack of materials. This contribution has been made in three ways. In the first place, local public employment office representatives are calling upon all plants which have experienced or are faced with the prospect of lay-offs of 50 or more workers, in order to determine: (a) how serious the lay-off is; (b) the materials lacking; (c) the skill of the workers laid off; (d) whether the plant facilities are convertible to defense production; and (e) what the employment opportunities are for displaced workers. This information is supplied both to the Contract Distribution Service and to the Labor Division, Priorities Branch, of the Office of Production Management, in order that both agencies may be informed quickly as to the seriousness of the situation and what equipment is idle. The information is also made available to the State employment services and the Regional Labor Supply Committees of the Office of Production Management in order that those agencies might give immediate consideration to the steps which might be taken to relieve the situation. As a result of these joint actions, there have been numerous instances of awards of contracts to firms which are faced with shut-downs or materials have been supplied through a speeding up of delivery. A lay-off of 500 workers in a railroad-equipment concern was recently averted by expediting a shipment of steel.

In addition to signaling the occurrence or the possible occurrence of lay-offs to the Office of Production Management so that proper action can be taken, the United States Employment Service has also been instrumental in placing many workers laid off or in directing them to training courses in order to provide them with skills that can be readily utilized by firms in need of workers. Recently, 3,400 workers were laid off by an automobile assembly plant. Shortly after, these workers were registered with the local employment office and jobs were found for about half of them. This instance can be multiplied many times.

The third way in which the employment security program helps to relieve the hazards of unemployment arising out of a lack of materials is through the unemployment compensation program. Through this program, workers who meet the eligibility provisions of the State laws are compensated for their loss of employment by the payment of benefits equal to about one-half of their regular weekly wages. Under existing provisions of the State laws, they can probably draw about 12 weeks of benefits during any 12-month period. This, of course, will vary between States in accordance with the provision of the State law, as well as the earning power of workers laid off. In Michigan, for example, most of the workers laid off are probably eligible for benefits for \$16 a week for about 15 weeks. Such payments can tide many workers over their period of unemployment. If contracts can be speedily awarded and supplies assured to many plants otherwise faced with labor displacements, unemployment insurance can probably serve to maintain workers' standards of living, and at the same time keep them in the community so that they are available when restaffing of the plant begins. If, on the other hand, contract awards of conversion cannot be made within 3 months following the lay-off, it is very likely that a considerable number of workers will remain unemployed thereafter until such time as conversion is accomplished or they may leave the community for jobs elsewhere.

Employers' forecast of employment changes in selected defense industries, November 1941-April 1942—number of workers currently employed, number to be hired, and number to be laid off, by size of firm

[Based on reports received from State agencies during November 1941]

Size of firm (number of workers)	Number of establishments visited	Number of workers			Percent distribution of lay-offs
		Currently employed	To be hired	To be laid off	
Total	10,605	5,081,066	469,597	146,870	100.0
Less than 100	4,595	247,753	28,206	7,355	5.0
100 to 199	2,308	322,290	23,368	9,816	6.7
200 to 299	979	235,755	19,058	5,710	3.9
300 to 399	603	204,806	23,133	5,705	3.9
400 to 499	363	160,801	7,512	4,762	3.2
500 to 599	271	146,782	7,110	3,228	2.2
600 to 699	188	120,254	6,162	2,451	1.7
700 to 799	139	103,123	10,869	3,324	2.3
800 to 899	119	110,133	9,411	4,480	3.1
900 to 999	99	92,926	5,778	3,163	2.2
1,000 to 1,499	334	405,950	33,601	10,617	7.2
1,500 to 1,999	155	265,588	15,755	4,582	3.1
2,000 to 2,999	164	386,058	66,040	5,569	3.8
3,000 to 3,999	89	306,219	34,285	6,990	4.8
4,000 to 4,999	45	200,285	19,685	3,680	2.5
5,000 to 9,999	89	596,933	56,068	14,049	9.6
10,000 to 19,999	47	637,733	66,075	22,169	15.0
20,000 and over	18	547,707	38,051	29,187	19.8

Original employment, actual lay-offs, and anticipated lay-offs of firms for which labor displacement reports were received during November 1941

	Original employment	Lay-offs	
		Actual	Anticipated
Total	631,142	48,329	123,852
Alabama	524	200	241
California	4,013	179	457
Connecticut	19,986	692	3,993
Georgia	573	286	0
Illinois	35,254	4,191	10,502
Indiana	44,366	2,903	8,577
Iowa	1,338	0	1,076
Kansas	2,318	457	971
Kentucky	1,671	704	430
Maryland	320	45	25
Massachusetts	11,879	1,175	5,009
Michigan	176,783	8,515	43,586
Minnesota	3,957	1,521	364
Mississippi	1,618	281	0
Missouri	4,755	320	718
New Jersey	13,357	1,212	1,720
New York	66,916	5,371	11,926
North Carolina	2,024	180	675
Ohio	175,993	12,508	27,165
Oregon	295	174	54
Pennsylvania	27,616	2,335	3,023
Rhode Island	4,736	300	1,495
South Carolina	2,300	18	0
Tennessee	4,546	1,502	201
Texas	838	223	10
Texas	82	0	82
Vermont	648	413	0
Virginia	4,568	647	152
West Virginia	17,838	1,674	1,400
Wisconsin			

Number of firms reporting reductions of hours, lay-offs, or anticipated lay-offs, by size of firm, by State¹

State	Number of firms with original employment of—					
	Total	50 to 99	100 to 249	250 to 499	500 to 999	1,000 and over
Total.....	735	130	223	143	120	119
Alabama.....	6	4	2			
California.....	5		1	1	2	1
Connecticut.....	23	3	8	2	2	8
Georgia.....	2		1	1		
Illinois.....	108	28	38	19	15	8
Indiana.....	35	5	7	6	9	8
Iowa.....	2			1	1	
Kansas.....	12	4	6	1	1	
Kentucky.....	4	1		2	1	
Maryland.....	1			1		
Massachusetts.....	34	4	12	10	6	2
Michigan.....	59		6	14	19	20
Minnesota.....	8	1	2	2	2	1
Mississippi.....	5		2	1	2	
Missouri.....	7	1		3	2	1
New Jersey.....	20	3	6	3	3	5
New York.....	81	16	26	19	7	13
North Carolina.....	5		2	2	1	
Ohio.....	217	49	71	36	29	32
Oregon.....	2		2			
Pennsylvania.....	39	4	11	9	6	9
Rhode Island.....	8		5	1		2
South Carolina.....	1					1
Tennessee.....	13		5	2	4	2
Texas.....	4	1	2	1		
Vermont.....	1	1				
Virginia.....	4	1	2	1		
West Virginia.....	4	1			1	2
Wisconsin.....	25	3	6	5	7	4

¹ Excludes firms with less than 50 workers.

Number of firms reporting anticipated lay-offs, by size of firm, by State¹

State	Number of firms with original employment of—					
	Total	50 to 99	100 to 249	250 to 499	500 to 999	1,000 and over
Total.....	499	104	157	91	69	78
Alabama.....	3	2	1			
California.....	4		1	1	2	
Connecticut.....	17	2	6	2		7
Illinois.....	83	23	30	14	10	6
Indiana.....	24	5	4	4	4	7
Iowa.....	2			1	1	
Kansas.....	11	4	5	1	1	
Kentucky.....	2	1			1	
Maryland.....	1			1		
Massachusetts.....	26	3	11	7	5	
Michigan.....	51		6	12	14	19
Minnesota.....	5	1	2	1	1	
Missouri.....	5	1		2	1	1
New Jersey.....	15	2	4	2	3	4
New York.....	50	13	15	13	1	8
North Carolina.....	1				1	
Ohio.....	144	37	50	20	20	17
Oregon.....	1		1			
Pennsylvania.....	27	4	9	7	2	5
Rhode Island.....	6		4			2
Tennessee.....	4		4			
Texas.....	1	1				
Vermont.....	1	1				
West Virginia.....	2	1				1
Wisconsin.....	13	3	4	3	2	1

¹ Excludes firms with less than 50 workers.

Number of firms reporting which have not had actual lay-offs, by size of firm, by State¹

State	Number of firms with original employment of—					
	Total	50 to 99	100 to 249	250 to 499	500 to 999	1,000 and over
Total.....	325	71	104	66	44	40
Alabama.....	2		2			
California.....	3		1	1	1	
Connecticut.....	8	2	3	1		2
Illinois.....	52	15	18	9	7	3
Indiana.....	12	2	3	2	2	3
Iowa.....	2			1	1	
Kansas.....	4	2	2			
Massachusetts.....	22	1	11	4	5	1
Michigan.....	24		3	8	4	9
Minnesota.....	2		1		1	
Missouri.....	3			1	1	1
New Jersey.....	9	2	3	1	2	1
New York.....	31	8	8	11	1	3
North Carolina.....	1				1	
Ohio.....	118	34	43	15	14	12
Pennsylvania.....	15	3	2	7	1	2
Rhode Island.....	1					1
Tennessee.....	3			2		1
Texas.....	1	1				
Vermont.....	1	1				
West Virginia.....	1				1	
Wisconsin.....	10		4	3	2	1

¹ Excludes firms with less than 50 workers.

Number of firms reporting actual lay-offs, by size of firm, by State¹

State	Number of firms with original employment of—					
	Total	50 to 99	100 to 249	250 to 499	500 to 999	1,000 and over
Total.....	410	59	119	77	76	79
Alabama.....	4	4				
California.....	2				1	1
Connecticut.....	15	1	5	1	2	6
Georgia.....	2		1	1		
Illinois.....	56	13	20	10	8	5
Indiana.....	23	3	4	4	7	5
Kansas.....	8	2	4	1	1	
Kentucky.....	4	1		2	1	
Maryland.....	1			1		
Massachusetts.....	12	3	1	6	1	1
Michigan.....	35		3	6	15	11
Minnesota.....	6	1	1	2	1	1
Mississippi.....	5		2	1	2	
Missouri.....	4	1		2	1	
New Jersey.....	11	1	3	2	1	4
New York.....	50	8	18	8	6	10
North Carolina.....	4		2	2		
Ohio.....	99	15	28	21	15	20
Oregon.....	2		2			
Pennsylvania.....	24	1	9	2	5	7
Rhode Island.....	7		5	1		1
South Carolina.....	1					1
Tennessee.....	10		5		4	1
Texas.....	3		2	1		
Virginia.....	4	1	2	1		
West Virginia.....	3	1				2
Wisconsin.....	15	3	2	2	5	3

¹ Excludes firms with less than 50 workers.

EXHIBIT 10.—PRIORITIES UNEMPLOYMENT

REPORT BY DIVISION OF RESEARCH, WORK PROJECTS ADMINISTRATION, WASHINGTON, D. C.,
JANUARY 9, 1941

Transition to a war economy inevitably occasions widespread industrial dislocations. The sale of new automobiles and new tires has already been stopped, except for certain limited essential purposes, and rationing is being adopted. Severe restrictions have already been imposed upon a variety of industries, primarily those producing durable consumers' goods using such important metals as aluminum, steel, copper, zinc, and tin. Inventory or other drastic controls are being applied to strategic materials, including chromite, magnesium, tungsten, iridium, vanadium, and manila fiber.

Scarcity of key raw materials and the difficulties of plant conversion will mean further sharp curtailments in civilian output. An increase in the amount of national output directed to war purposes from 24 billions in the current fiscal year to nearly 53 billions for the fiscal year 1943, as announced by the President in his Budget message can be attained only by drastic reductions in nonmilitary production. This will require the displacement of millions of workers from their jobs during the present year.

This shift cannot be accomplished overnight. Adaptation of existing machinery, retooling, retraining of workers, and reorganization of production lines are processes which take much time. The construction and equipping of new plants is an even longer process. As the experience of recent months amply demonstrates, many months must often elapse between large scale lay-offs in civilian lines and the demand for workers to make airplanes, tanks, or guns.

Many of the displaced workers will quickly find jobs in war industries. But for several millions of others the transfer will involve a period of unemployment. For many the transfer will involve a period of retraining. For many others it will involve migration to new areas. Such movements take time, especially where training is required. Those disemployed because of priorities will have to compete for war jobs with the millions already unemployed and with new entrants to the labor market. As a result, unemployment is certain to increase substantially during the first part of 1942. The effects of priorities unemployment will persist at least throughout the present year, and may continue for an even longer period.

INDUSTRIES CHIEFLY AFFECTED

The most immediate and most serious effect of the intensification of the war effort will be felt by the automobile industry. On December 11, the Office of Production Management ordered an additional cut of 50 percent in the production schedules of passenger cars and light trucks for the remainder of December and January, and at the same time strongly intimated that all nonmilitary automobile production would substantially cease after February 1. The automobile companies estimate that the lowered quotas will result in the lay-offs in Detroit will total 135,000 in the automotive industry alone. In Flint February 1. Substantial stoppage of the industry probably will affect another 100,000 workers in related lines. In addition, the orders stopping all passenger-car sales and sharply rationing the distribution of tires undoubtedly will cause the disemployment of a considerable proportion of the 400,000 to 500,000 sales and distributive workers scattered throughout the Nation.

All of the major automobile centers have been hard hit. It is estimated that lay-offs in Detroit will total 135,000 in the automotive industry alone. In Flint more than 30,000 out of a normal work force of 45,000 automotive workers are expected to be laid off. In Pontiac and Lansing lay-offs will range from 10,000 to 15,000, while from 3,000 to 5,000 workers will be displaced in Saginaw, Grand Rapids, and Muskegon. Severe displacement already has occurred in Grand Rapids and Muskegon among refrigerator, metal furniture, and other metal-using industries, and it is anticipated that 3,000-4,000 additional workers will be disemployed in these industries in each of these cities during the next 2 months.

Anticipated increases in defense employment in the next several months are clearly inadequate to reemploy any but a small proportion of the available workers. Government, industry, and labor representatives, testifying recently before this committee, were in essential agreement that there will be a lag of 12 to 15 months before absorption of the unemployed is completed. General Motors anticipates hiring 23,000 additional workers in all its plants in the period between November 1941 and February 1942, and Ford will add the

same number by June 1942. A substantial portion of the workers added by General Motors will be in plants in Indianapolis, Chicago, Buffalo, and Vandalia, Ohio, places not affected by the current lay-offs. Cities like Detroit, Flint, and Toledo, in which the automobile industry is the principal source of employment and in which defense employment has lagged, will be particularly hard hit. Unless defense contracts are augmented and conversion of existing plants to war production is greatly accelerated, a significant number of automobile workers will remain unemployed throughout 1942.

With the outbreak of war the supply of crude rubber, 98 percent of which comes from the Far East, has been temporarily cut off. As a result, consumption of rubber was sharply reduced in November and in December was again cut approximately in half. A large part of current consumption is for war purposes. Rubber for civilian use has already been reduced to less than one-fourth of the normal amount, and will probably be cut even further in coming months.

The shortage of rubber is expected to result in the outright lay-off of 80,000 of the industry's 150,000 workers, with most of the remainder on part-time. Employment in rubber products plants already had declined several thousand between August and December, before the more drastic curtailment was announced.

Because equipment for the production of most rubber products is not readily adaptable to other uses, little can be expected from conversion unless plants are able to obtain new machine tools. Most of the displaced rubber workers will have to seek employment in other industries. An attempt is being made to adjust production cuts among localities in accordance with reemployment opportunities. Thus, plants in Los Angeles are likely to be closed completely, while production in isolated smaller cities like Eau Claire, Wis., probably will be curtailed less sharply. Plans are under consideration to concentrate truck and airplane tire production in Akron, Ohio, where alternative employment opportunities are clearly inadequate. Even with these measures, it is anticipated that a sizable portion of Akron's 50,000 rubber workers, displaced in the next 2 months, will be unable to find employment locally.

The outbreak of war has required a considerable upward revision of the 1942 construction program. The total program now is expected to approximate the 1941 level of about 11.2 billion dollars, all devoted to military and only the most essential civilian needs. If this level can be maintained in the face of radical changes in types of construction, net displacement of workers probably will be considerably smaller than was contemplated last fall.

However, the geographical dislocations will be profound. New construction will be concentrated in defense and war-production areas, in other areas there will be practically no building during the coming year. More than 1,000,000 workers in nondefense areas will be displaced and, if they find other employment, will almost certainly be compelled to seek it outside their home communities. A large number of experienced construction workers in nondefense areas are likely to remain unemployed throughout 1942, unless special programs are devised to make use of them.

Other consumer durable industries have been affected in varying degrees by curtailment workers and by shortages of critical materials. Considerable displacement has already taken place and more is anticipated in refrigerator, vacuum cleaner, stove, metal furniture, farm equipment, jewelry, and other metal-using plants, and in silk and woolen mills. Lay-offs in these industries had reached 55,000 by December 1, and nearly 90,000 others were scheduled for dismissal in the next few months. Further curtailment of nonwar production will result in additional lay-offs.

AREAS HARDEST HIT

Incomplete reports from individual manufacturers show, that of the lay-offs which had occurred up to December 1, nearly 90 percent were in 10 States: Michigan, Indiana, Ohio, Pennsylvania, Illinois, Massachusetts, New York, Wisconsin, New Jersey, and North Carolina; nearly 60 percent were in the first 5 of these States.

In Michigan, which has been hardest hit, it is estimated that in the automobile industry alone 200,000 workers have lost their jobs, and another 60,000-70,000 are threatened with lay-off in February. Initial claims for unemployment compensation in the State jumped from 30,000 at the beginning of December to about 180,000 at the end of the month.

In Indiana and Ohio the effects of the curtailment of autos, refrigerators and other mechanical equipment have been widespread. In Illinois, Massachusetts, New York, and New Jersey, copper and steel shortages, as well as curtailment orders, are significant. In Pennsylvania, textile-mill products have accounted for nearly half the lay-offs, and in North Carolina, for practically all of them. In Wisconsin, the aluminum shortage has been a major factor in such communities as Manitowoc, Two Rivers, and Kewaunee.

In all, more than 625 communities in 38 States had reported lay-offs by December 1. These ranged from the big cities to small single-industry towns. In large cities like Chicago, New York, Dayton, Toledo, and Trenton, the lay-offs are small compared to the total of industrial wage earners but are large in numbers. In addition to delays, because of skill factors, in the transfer of workers from contracting to expanding industries, the larger centers are also experiencing especially heavy displacement among white-collar workers engaged in merchandising durable consumer goods.

Many small industrial centers are extremely hard hit. Up to December 1, in at least 48 areas throughout the country, workers had been laid off, or were scheduled to be laid off, in numbers equal to 25 percent or more of the average of manufacturing wage earners employed in those areas during 1937. Most of these 48 areas are located in the States of Illinois, Wisconsin, Michigan, and Indiana which—with the exception of Michigan—have received less than their proportionate share of prime war-supply contracts. For the most part, they are small industrial cities producing consumers' durable goods, which have received little, if any, war work. But the list also includes larger cities such as Detroit, Pontiac, and Scranton. Some show promise of eventually absorbing the displaced workers in war production while in others absorption is unlikely.

Kokomo, Ind., is typical of the towns in which the shift of displaced workers to war jobs will be easiest. Before the declaration of war 2,287 workers had already been laid off, or were scheduled to be laid off. This is 28 percent of the 8,000 workers employed in the city's 16 largest manufacturing plants. With the complete cessation of automobile production many other workers will be affected. However, the production of tank parts, lifeboats, iron castings, shell casings, etc., in these 16 largest plants is expected to require the addition of 2,100 workers by April 1942. Convertible facilities are available for considerably greater war production, and with the 40-billion war program now in prospect it may be expected that further demands for workers will arise.

Even in Kokomo, as in other cities in Indiana with a similar industrial pattern, such as Evansville, Connersville, Muncie, and New Castle, reemployment of the workers displaced will be delayed by the fact that it is skilled workers who are most needed in war work, while it is largely unskilled and semi-skilled workers who are being laid off.

In the isolated industrial city of Eau Claire, Wis., on the other hand, more than 500 workers had already been laid off by December 1 and the continued employment of more than 1,000 others was seriously threatened before the outbreak of hostilities. Some 2,500 of the city's 4,000 workers in September 1940 were employed by a rubber-tire plant. With the complete cessation of tire production for nonessential civilian use, only about 500 workers will be needed to continue the war production of truck and airplane tires and tubes. Immediate reemployment prospects for the displaced workers are exceedingly slim in Eau Claire or within reasonable commuting distance.

Another type of area where reemployment will be slow and difficult is the silk-throwing region of Scranton-Wilkes-Barre, Pa. Hit early by the order freezing silk inventories, the silk mills laid off 4,600 workers in August and September. The lay-offs have accentuated a long-standing unemployment problem associated with the depressed anthracite coal industry. Conversion of the silk-throwing plants is considered impracticable and little opportunity for retraining exists locally. The workers are likely to find jobs only by moving elsewhere.

Illustrative of the serious and widespread effects of the restrictions on non-defense uses of copper, is the situation in the costume jewelry area of Pawtucket-Providence, R. I., and Attleboro, Mass. Between 12,000 and 15,000 workers are scheduled for lay-off before the end of January. Several hundred firms are involved, most of them small. While a few of the companies have received defense awards, general conversion is difficult and at best involves delay. War industries do not provide adequate work opportunities within commuting distance and, for most of the workers, retraining will be necessary even if they move elsewhere.

DURATION OF PRIORITIES UNEMPLOYMENT

In Great Britain it was 18 months after war broke out before industry was on a war basis with substantially full employment. In this country the conversion process is likely to take even longer, because of our greater size, the greater importance of durable consumer goods industries in our economy, and the greater specialization of our existing machine equipment.

The experience of Britain and of other warring countries demonstrates clearly that we must rely heavily upon the conversion of plants to war production. Building of new plants is essential in some lines, but takes too long to serve as the principal reliance. Even the conversion process takes considerable time. Existing machinery must be adapted to new products, new tools must be constructed, workers must be retrained, production processes must be reorganized. Many of the new machines of war are not well suited to the methods of the assembly line.

The process of conversion will proceed at markedly differing rates in different industries. The shift from automobiles to tanks, lengthy as it has proved to be, is much easier than the conversion of many other industrial plants. The equipment of rubber factories, stove foundries, and silk-throwing mills, for example, is not easily converted to war output. Many workers in these plants will have to be absorbed in other industries and frequently in other localities.

Moreover, shortages of some critical raw materials and the limited supply of others are almost certain to require the further curtailment of civilian industries as war production expands and are likely to delay the absorption in war industries of many displaced workers. The supply of materials like rubber, tin, tungsten, and silk, which must be imported chiefly from areas now in the battle zone, will be sharply curtailed. Their use is already under strict control. Displacement in many of the varied industries using these products will continue for an indefinite period. Substitutes may be found or developed for some of these, but nothing like a return to normal employment levels can be expected.

Even in the case of such key materials as copper and steel there is little likelihood that production will increase much beyond 1941 levels. Plants using these raw materials operated at or near practical capacity during 1941. Hence, the continued expansion of war production in copper- and steel-using industries will be mainly at the expense of nonessential industries with little if any net increase in employment.

In fact, the shortage of steel scrap may result in some decline in the production of steel ingots in 1942, which, in turn, would require the further curtailment of nonwar production. Furthermore, within the steel industry itself the shift from the production of sheets, strip, wire, and other finished products used mainly by the consumer durable industries to the production of heavy plates, shapes, bars, etc., needed for ships, tanks, and guns will result in the disemployment of an estimated 50,000 steel workers because of the lower man-hour requirements in the manufacture of heavier steel plates. The steel industry had already reported reductions in work forces totaling 17,000 by December 1, with another 20,000 workers scheduled for lay-off within the next 3 months.

The duration of priorities unemployment cannot be calculated simply by comparing the rate of lay-off with the rate of absorption. Reemployment is a qualitative as well as a quantitative problem. A large proportion of the workers who are losing their jobs are unskilled or semiskilled. The war industries are calling for high proportions of skilled workers. Reabsorption, under these circumstances, depends in large measure upon training and retraining workers, and upon simplifying or "diluting" the jobs. But both of these measures require considerable time. Job dilution often necessitates basic changes in production techniques. Because of this qualitative difficulty in adjusting labor supply and demand we may expect large-scale unemployment of unskilled and semiskilled workers even after shortages of highly skilled workers have become serious.

REMEDIAL MEASURES

Anything which accelerates conversion of plant facilities, which speeds up the expansion of essential raw material output or which facilitates the geographical or occupational shift of workers into war jobs, serves to shorten the period of priorities unemployment.

The certification procedure of Office of Production Management is useful, but it has serious limitations. Thus far only 13 communities have been certified for special consideration in the award of contracts, and it is clear that relief in many of these communities has been inadequate. The procedure can be applied only where existing contracts are relatively small and where the plants affected can readily be converted to war production. Auto centers like Detroit and Flint, which are extremely hard hit, are not eligible because they already have large contracts. What is needed in such areas is something to keep the working force together until the auto plants are retooled.

In other areas, such as the silk-throwing area of Scranton-Wilkes-Barre, or towns where rubber workers predominate, or the small silk hosiery centers of North Carolina, certification has not been applied because by and large the plants are not convertible. What is needed in these areas is new plants, new machine tools to reequip existing plants, or some procedure for moving workers to the active areas.

Unemployment compensation will also assist in meeting the priorities unemployment problem. But it, too, has limitations. Many workers, even in manufacturing industries, are not entitled to benefits—in Detroit, the proportion of automobile workers who will receive no unemployment benefits whatever is estimated at 20 percent. Other workers are entitled only to small amounts; because they have been employed for only short periods or because they have used up their benefit rights in earlier lay-offs, they will receive little assistance from this source. In most States the unemployment compensation benefit period is limited to 16 weeks or less. From some areas, such as Buffalo and Detroit, reports indicate that benefits have already been exhausted for considerable numbers of workers.

Employment on the Work Projects Administration program should be open to all workers displaced in civilian industry. These people need work, and they need it quickly to avert impoverishment. A large reservoir of projects is ready for prosecution, many of which are directly related to war work. This work should be done immediately while these people are available and idle. Later they will be needed for other tasks. Work done now for the armed forces, for defense housing, for the building and improvement of roads, streets, water, and sewer facilities in the vicinity of armament plants would add that much to our war effort. If the work is postponed until later it will be done then at the expense of other work.

The evidence shown above brings out the fact that many displaced workers lack the necessary training to fit them for armament work. The training program of the Work Projects Administration should be expanded to correct this situation. The possibility of using idle industrial facilities for this purpose should be carefully considered.

An expansion of the work and training programs of the Work Projects Administration should rest squarely on the fact that these people need work and much work needs to be done. By giving them work, they and the public gain; failure to provide work means a loss on all sides. A country at war can ill afford to waste manpower.

The employment of these displaced workers by the Work Projects Administration consequently should not be delayed and limited by the retention of the means test as the basis of eligibility. Employment on projects and training for industry should be available upon certification of displacement by an appropriate public agency.

EXHIBIT 11.—POTENTIAL DISLOCATIONS IN EMPLOYMENT DUE TO STOPPAGE OF RUBBER SHIPMENTS AS SHOWN BY EMPLOYMENT IN RUBBER MANUFACTURE IN AUGUST 1941¹

REPORT BY THE RUBBER MANUFACTURERS ASSOCIATION, INC., NEW YORK, N. Y.

TABLE I.—*State summary*

State	Number of plants	Number of cities	Employment, August 1941	State	Number of plants	Number of cities	Employment, August 1941
Total for 31 States	370	213	155,670	Nebraska	1	1	152
Alabama	2	2	1,302	New Hampshire	1	1	50
California	26	9	5,614	New Jersey	38	22	15,582
Colorado	1	1	2,068	New York	31	7	6,756
Connecticut	17	10	10,115	North Carolina	2	2	65
Delaware	3	2	882	Ohio	70	41	46,362
Georgia	1	1	103	Oregon	2	1	63
Illinois	27	8	5,131	Pennsylvania	25	15	6,416
Indiana	14	12	9,803	Rhode Island	12	7	5,984
Iowa	3	3	891	South Carolina	1	1	27
Maine	2	2	90	Tennessee	1	1	2,857
Maryland	4	3	1,127	Texas	2	2	77
Massachusetts	44	33	19,969	Vermont	1	1	860
Michigan	14	9	8,081	Virginia	2	2	728
Minnesota	5	2	318	Washington	1	1	20
Missouri	7	4	747	Wisconsin	10	7	3,427

TABLE 2.—*Summary by States and cities, August 1941*

State and city	Number of plants	Employment, August 1941	State and city	Number of plants	Employment, August 1941
Alabama		1,302	Georgia: Atlanta	1	103
Birmingham	1	8	Illinois		5,131
Gadsden	1	1,294	Belvidere	1	60
California		5,614	Chicago	20	3,372
Compton	1	25	Cicero	1	71
Fullerton	1	10	Evanston	1	2
Los Angeles	14	4,744	Joliet	1	35
Oakland	4	380	Monsanto	1	244
Pittsburgh	1	266	Rock Island	2	1,309
San Francisco	2	35	Waukegan	1	38
Torrence	1	12	Indiana		9,803
San Gabriel	1	19	Auburn	1	451
Vernon	1	123	Elkhart	1	218
Colorado: Denver		2,068	Evansville	1	23
Connecticut		10,115	Gary	1	27
Bridgeport	3	802	Goshen	2	573
Derby	1	200	Indianapolis	1	1,389
Fairfield	2	455	Lafayette	1	340
Middletown	2	780	La Porte	1	42
Nangatuck	1	5,070	Logansport	1	38
New Haven	4	1,291	Mishawaka	1	5,298
Norwalk	1	410	Muncie	2	521
Shelton	1	412	Wabash	1	883
Stamford	1	55	Iowa		891
West Haven	1	640	Cedar Rapids	1	12
Delaware		882	Des Moines	1	300
Dover	1	189	Keokuk	1	579
Wilmington	2	693	Maine		90
			Lewiston	1	16
			Sabattus	1	74

¹ Data cover virtually all the major plants in the industry and virtually all the employment. The total employment reported here is 155,000 as compared with the Bureau of Labor Statistics' estimate of total employment of 150,000 workers for the same month. See Washington hearings, pt. 20, p. 8101.

TABLE 2.—Summary by States and cities, August 1941—Continued

State and city	Number of plants	Employment, August 1941	State and city	Number of plants	Employment, August 1941
Maryland.....		1, 127	New Jersey—Continued.		
Baltimore.....	2	108	Garfield.....	2	162
Cumberland.....	1	845	Garwood.....	1	115
Hagerstown.....	1	174	Hamilton.....	1	81
Massachusetts.....		19, 969	Irvington.....	1	40
Andover.....	1	933	Jersey City.....	1	16
Athol.....	1	4	Little Falls.....	1	410
Avon.....	1	165	Morristown.....	1	80
Boston.....	2	151	Newark.....	4	315
Cambridge.....	4	1, 826	New Brunswick.....	1	32
Canton.....	1	915	Passaic.....	3	7, 173
Chelsea.....	1	393	Paterson.....	1	250
Chicopee.....	1	213	Rahway.....	1	164
Chicopee Falls.....	1	2, 074	Trenton.....	10	4, 230
Easthampton.....	1	113	Whippany.....	1	65
Fall River.....	1	2, 874	New York.....		6, 756
Framingham.....	1	500	Bainbridge.....	1	11
Holyoke.....	1	26	Beacon.....	1	143
Jamaica Plain.....	1	32	Buffalo.....	6	2, 928
Lawrence.....	1	795	Johnson City.....	4	1, 652
Lynn.....	1	25	Johnstown.....	1	12
Malden.....	1	1, 262	New York City.....	17	760
Mattapan.....	1	95	Palmyra.....	1	1, 250
Milford.....	2	582	Ohio.....		46, 362
Monson.....	1	116	Akron.....	12	28, 464
Needham Heights.....	1	109	Alliance.....	1	90
New Bedford.....	4	848	Ashland.....	1	308
North Easton.....	1	122	Attica.....	1	62
North Quincy.....	1	39	Roberton.....	5	2, 529
Peabody.....	1	41	Bedford.....	1	80
Rockland.....	1	115	Bucyrus.....	1	400
Russell.....	1	62	Canton.....	4	416
South Boston.....	1	110	Carey.....	1	50
South Braintree.....	1	265	Carrollton.....	1	110
South Middleton.....	1	160	Chardon.....	1	141
Stoughton.....	2	606	Cincinnati.....	2	190
Watertown.....	3	4, 280	Cleveland.....	3	218
West Hanover.....	1	118	Cuyahoga Falls.....	2	89
Michigan.....		8, 084	Dayton.....	3	3, 823
Detroit.....	5	5, 204	Delaware.....	1	43
Holland.....	1	12	Elyria.....	1	141
Jackson.....	1	748	Findlay.....	1	512
Grand Rapids.....	1	663	Fremont.....	1	10
Marysville.....	1	125	Garrettsville.....	1	113
Morenci.....	1	65	Hartville.....	1	288
Pleasant Ridge.....	1	62	Ironton.....	1	160
Pontiac.....	1	603	Krumray.....	1	58
St. Joseph.....	2	602	Lima.....	1	195
Minnesota.....		318	Mansfield.....	1	1, 227
Minneapolis.....	4	237	Marcetta.....	1	12
Red Wing.....	1	81	Massillon.....	1	57
Missouri.....		747	Middlefield.....	1	482
Hannibal.....	1	585	Newark.....	1	1, 077
Louisiana.....	1	41	New Bremen.....	1	97
North Kansas City.....	1	26	Port Clinton.....	1	448
St. Louis.....	4	92	Ravenna.....	3	214
Nebraska: Ralston.....	1	152	St. Mary's.....	1	929
New Hampshire: Nashua.....	1	50	Sandusky.....	1	220
New Jersey.....		15, 582	Springfield.....	1	60
Belleville.....	1	87	Toledo.....	4	374
Bloomfield.....	1	32	Warren.....	1	174
Butler.....	2	1, 845	Willard.....	1	201
Clark.....	1	196	Willoughby.....	1	997
Clifton.....	1	34	Wooster.....	1	147
Dover.....	1	170	Youngstown.....	1	1, 156
East Rutherford.....	1	30	Oregon: Portland.....	2	63
Flemington.....	1	55	Pennsylvania.....		6, 416
			Ambler.....	1	12
			Carlisle.....	2	138
			Chester.....	1	41
			Conshohocken.....	1	1, 090
			Doylestown.....	1	40
			Erie.....	2	1, 271

TABLE 2.—Summary by States and cities, August 1941—Continued

State and city	Number of plants	Employment August 1941	State and city	Number of plants	Employment August 1941
Pennsylvania—Continued.			Tennessee: Memphis		
East Brady	1	75		1	2,857
East Butler	1	252	Texas		
Emmans	1	19			77
Indiana	1	141	Grand Prairie	1	28
Jeannett	1	1,005	Houston	1	49
Morrisville	2	496	Vermont: Windsor		
Philadelphia	8	1,121		1	860
Plymouth Meeting	1	71	Virginia		
Wilkes-Barre	1	671			728
North Carolina			Bedford	1	231
		65	Winchester	1	197
Charlotte	1	22	Washington: Seattle		
Salisbury	1	43		1	20
Rhode Island			Wisconsin		
		5,984			3,427
Appanang	1	40	East Claire	1	2,096
Bristol	2	927	La Crosse	1	890
Cranston	2	327	Milwaukee	1	23
Pawtucket	1	300	Neenah	2	38
Providence	4	3,976	Oostburg	1	10
Warren	1	52	Racine	3	346
Woonsocket	1	362	Watertown	1	24
South Carolina: North Charleston					
	1	27			

EXHIBIT 12.—REEMPLOYMENT OPPORTUNITIES FOR WORKERS IN RUBBER INDUSTRY COMMUNITIES IN THE UNITED STATES

INTRODUCTION TO A SURVEY OF EMPLOYMENT IN THE RUBBER INDUSTRY. PREPARED BY THE BUREAU OF EMPLOYMENT SECURITY, JANUARY 6, 1942

It has been attempted to indicate the probable economic effect of the recent order limiting the manufacture of nondefense rubber goods in communities where, in November, 200 or more workers were engaged in the production of rubber goods. In several instances communities with less than 200 such workers were included because it was felt that the rubber industry was of relative importance to the local economy. It was assumed that all workers engaged in the manufacture of nondefense rubber products would be displaced. Their reemployment opportunities were evaluated in terms of the present and anticipated labor market conditions in each locality. Wherever information was available, those workers were excluded from consideration who were known to be already employed on defense work in the industry. As nearly as can be determined the analysis includes every rubber-processing establishment in the United States employing 50 workers or more which was manufacturing tires and inner tubes; rubber boots, shoes, soles, and heels; industrial rubber goods; rubberized fabrics and vulcanized rubber clothing; and rubber sundries and sponge rubber.

The opportunities for reabsorption of the rubber workers were coded as follows:

1. Good—ample opportunity for reemployment within the community or within reasonable commuting distance.
2. Fair—limited opportunity for reemployment within the local community or within reasonable commuting distance.
3. Poor—virtually no reemployment opportunities within the local community or within reasonable commuting distance.

The data are arranged by local labor market area within each State indicating employment by establishment in November 1940, July 1941, and November 1941; anticipated 6-month labor demand for the area (based on ES-270); and an estimate of the opportunities for the local reemployment of the rubber workers.

These data reveal a concentration of firms in the following States: Connecticut, Massachusetts, New Jersey, Ohio, Michigan, and Indiana, with the greatest con-

centration in Ohio. In most of these States rubber firms were found to be located in those communities which have thus far felt the least amount of defense expansion and the greatest number of priority lay-offs. In general, it may be said that the opportunities for reemployment in the majority of the rubber-industry communities are poor. Of the 69 areas covered in this study, 38 were classified as "poor," 16 "fair," and 15 "good."

The largest firms, namely, those in the tire and inner-tube branch of the industry, are located in Ohio and Michigan. These States have already suffered severely as a result of lay-offs in the automobile and related industries and, therefore, can provide few reemployment opportunities for rubber workers.

In some communities 100 percent displacement of rubber workers has been assumed, in the absence of definite information concerning the number of employees engaged in defense production. It is possible, therefore, that this appraisal pictures a somewhat more serious situation than will actually materialize. Available data do not furnish indications of the number of women employed in the rubber industry. Since the demand for defense workers in most areas has thus far been largely for men, displaced women workers will undoubtedly create special reemployment problems.

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